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Income

700 INCOME

Income is any type of payment that is a gain or benefit to a household. When determining eligibility, the type of income determines whether it is counted or exempt.

710 REQUIREMENT TO PURSUE INCOME

Income is considered available both when actually available and when the individual has a legal interest in the income and has the ability to make the income available.

Therefore, the household must pursue and take advantage of all income that is or may be available for maintenance and support. Allow the household ten (10) working days to pursue income such as Retirement, Survivors and Disability Insurance (RSDI), Railroad Retirement (RR), Veterans Administration (VA) benefits, Unemployment Insurance Benefits (UIB), Public Employees' Retirement benefits, etc. Inform the household in writing of the obligation to pursue and make the income available.

Benefits are denied or terminated if an individual refuses to apply for, pursue and accept income or provide proof of such by the requested date or fails to provide information essential to establish the claim.

Exceptions:

- Individuals receiving Supplemental Security Income (SSI) may not receive cash benefits.
- Individuals not requesting or receiving assistance but whose income is used in determining eligibility are requested to pursue benefits; however, no negative action is taken if they fail to cooperate.
- If it would be unreasonable for a household member to apply for, or make income available for, maintenance and support, they may not be required to pursue the income. With supervisory approval, the following situations are deemed unreasonable.
 - The cost to pursue exceeds the potential income or causes financial hardship.
 - Pursuing the income would endanger the household member(s) health or safety.
 - Legal action is required but a private attorney or legal service refuses to accept the case. A reasonable effort to obtain legal assistance must be made and evidence provided.

710.1 Unemployment Insurance Benefits

Individuals should only be referred for (UIB) when there is a reasonable certainty, they will be eligible for the benefit. If the customer's potential eligibility is not reasonably clear, do not request them to apply for assistance.

Refer individuals for UIB who:

- a. Are physically and mentally able to work, and
- b. Are out of work through no fault of their own, and
- c. Have reported earnings in at least two of the quarters within the Base Period. The Base Period is the period of employment prior to the loss of a job. Generally, the first four of the last five completed calendar quarters prior to the effective date of the claim for unemployment is the Base Period.

The chart below shows the completed calendar quarters of a Base Period depending on the quarter in which a claim is filed with the Nevada Department of Employment, Training and Rehabilitation (DETR).

Regular Base Year									
Prior Year	Last Year				Current Year				
OCT	JAN	APR	JUL	DO NOT USE	JAN	If applicant files their claim in: <div> ← <div> ↓ </div> ↘ </div>			
NOV	FEB	MAY	AUG	DO NOT USE	FEB				
DEC	MAR	JUN	SEP	DO NOT USE	MAR				
	JAN	APR	JULY	OCT	DO NOT USE	APR	JULY AUG SEP	DO NOT USE	OCT NOV DEC
	FEB	MAY	AUG	NOV	DO NOT USE	MAY			
	MAR	JUN	SEP	DEC	JAN	JUN			
		APR	JUL	OCT	FEB	DO NOT USE			
		MAY	AUG	NOV	MAR	DO NOT USE			
		JUN	SEP	DEC					
			JUL	OCT	JAN	APR	DO NOT USE		
			AUG	NOV	FEB	MAY	DO NOT USE		
			SEP	DEC	MAR	JUN	DO NOT USE		

Example: Customer's employment ends in January of the current year, use October – September earnings to determine base period. Customer's employment ends May, use January – December earnings to determine base period.

711 EARNED INCOME

Earned income is **CASH** or **INCOME IN-KIND** received through salary, self-employment or tips, including wage advances, commissions, military pay, jury duty, on-the-job training payments, honorarium payments and work assessment programs through Vocational Rehabilitation. Wage advances are budgeted when received and are deducted when the employer deducts them from gross pay. Meals included in the gross taxable income are considered part of the earnings. Verification of income is required. However, if verification is unavailable (the individual's job would be jeopardized, the employer refuses to cooperate, the business is closed, etc.), the individual's statement may be accepted. When applicant/recipient statements are accepted, the circumstances must be documented.

Income earned in a foreign currency, such as Canadian dollars or Mexican pesos, must be converted to U.S. dollars. Use the exchange rate on the last day of the budget month unless there is a dramatic change in the foreign exchange rate impacting the amount of the earnings. When a different exchange rate is used, the reason must be documented.

Count the gross amount of all wages (including meals when included in the taxable gross income), salaries, and commissions as earned income. The gross figure cannot be reduced by any deduction, voluntary or involuntarily such as child support deductions, childcare deductions, insurance premiums, deductions for judgments, garnishments, federal taxes, etc. Evaluate paycheck stubs for irregular income such as differential shift pay, bonus pay, holiday pay, etc.

Note: Reimbursements or flat allowances, including reimbursements made to the household for job or training related expenses such as travel, per diem, uniforms, and transportation to and from the job or training site are excluded from earned income.

Exception: An Advanced EITC received with wages from an employer must be deducted from gross earnings prior to the earned income deduction being applied.

The cash value of an in-kind benefit the household receives in exchange for performing work for the provider is budgeted as earned income.

Budget wages of a required household member who is temporarily absent (up to 90 days) from the home because of employment as earned income.

Budget wages of an individual who is not a required household member because their absence will extend beyond 90 days who makes their wages available to the household as unearned income. Divide the amount received by the absent member equally between household members who have a relationship of spouse/child of the absent member.

Exception: Count payments as unearned income if:

- they are received from programs that required individual to work without wages, e.g., Tribal Work Experience Program – (TWEP) payments and
- they substitute for wages, or
- they are from a wage earner absent from the household because of employment, or
- wages are made available to a joint bank account by a non-household member.

If an individual asks his employer to hold their wages or the wages are being garnished, count the deduction as income in the month the household would otherwise have been paid. However, if an employer holds the employees' wages as a general practice, count this money as available income in the month it is paid. Count advances in the month they are received and deduct them from wages in the month the employer deducts them.

Income related to employment entitles a household to deductions not allowed for unearned income.

711.1 Flexible Fringe Benefits

Flexible fringe benefit plans allow the employee to choose from benefit components such as insurance, extra vacation time, and payments to third parties for medical bills or childcare. These are also called "cafeteria plans."

Under some plans, employers withhold wages to pay for the benefits selected by the employee. Under other plans, employers offer benefit credit in addition to wages, which the employee can use to purchase benefits. If the employee does not use all of the credit to purchase benefits, some plans allow the excess to be paid to the employee as part of his wages.

All wages and salaries must be counted as income. Gross wages must be budgeted and any money deducted from the gross income and paid to a third party for taxes, insurance or other fringe benefits are counted as income. **Any amount** reported on the pay stub or elsewhere as **taxable gross wages** is countable.

Note: Do not include meals as earned income unless the meals are included in the taxable gross. Some employers add the meals to the gross and then take them out to gain a corporate/business tax advantage. In these situations, do not include the meals as income in the gross income calculation.

712 UNEARNED INCOME

Income received without performing work-related activities. This includes benefits from other programs. When an individual receives and returns a check (e.g., UIB, RSDI, VA, etc.) to the issuing agency, determine whether to budget the payment using the following guidelines:

- If there is evidence that the check was incorrectly paid and it is verified the check was returned, do not budget the amount as income.
- If the check was correctly paid and was voluntarily returned, budget the amount as income in the month received.

Do not count RSDI, SSI, VA, or other such benefits which a member of the household is entitled to receive if the benefits are paid to someone outside the household (payee) who:

- receives the funds, **and**
- does not make the money available to the beneficiary.

If the payee provides a portion of the funds to the beneficiary, count the amount made available in cash or by vendor payment as unearned income to the beneficiary's household. Any portion of the funds the payee keeps for their own use is budgeted as unearned income to the payee's household.

720 TYPES OF INCOME

There are differences in countable and exempt income for the different programs. When determining eligibility, count any income not specifically listed as exempt.

720.1 Alpha Listing of Types of Income and Income Status

The following alpha list of income types contains coding (Y, M, E and X) which identified the program, countability and type of income (earned/unearned). The manual location is provided for quick reference to ensure an accurate evaluation of income is made for budgeting purposes.

Coding Key: **Y** = Countable **M** = May Be Countable
 E = Exempt **X** = Income Type (earned/unearned)

TYPE	TANF CASH	SNAP	EARNED	UNEARNED	MANUAL SECTION
Adoption Subsidies	M	Y		X	A-721
Agent Orange	E	E			A-728.2
Alimony	Y	Y		X	A-739
Annuity (Investment or Settlement)	Y	Y		X	A-729 A-744
Blood Donations	E	E			A-766
Cash Gifts / Contributions	Y	Y		X	A-724
Census Income	E	Y	X		A-736.12A- 736.11
Child Support	Y	Y		X	A-725
Collection of Cans / Recycling	Y	Y	X		A-757
Children's Earnings	Y	Y	X		A-726
Contract / Seasonal Earnings	M	M	X		A-727
Crime Victim's Restitution / Compensation	E	E			A-736.1 A-753.1
Disability Benefits	Y	Y	X	X	A-728
Dividends / Royalties	Y	Y		X	A-731
Education Assistance	M	M	X	X	A-733
EITC (Advanced Payments) Federal Tax Refund	E	E			A-732
Energy Assistance	M	M		X	A-734
Flexible Fringe Benefits	Y	M		X	A-711.1
Foster Care Payments	M	M		X	A-735
Gambling Winnings	E	M			A-766
General Assistance / Indian General Assistance	M	M		X	A-759
Government Disaster Payments	M	M		X	A-736.2
Government Sponsored Payments	M	M	X	X	A-736
Honorarium Payments	Y	Y	X		A-711
In -Kind Income	Y	E	X		A-737
In Home Family Preservation / Supported Living Arrangement (SLA)	M	M		X	A-736.5
Independent Living payments	E	Y		X	A-736.9
Interest	M	M		X	A-738
Jury Duty	E	E			A-766

TYPE	TANF CASH	SNAP	EARNED	UNEARNED	MANUAL SECTION
Loans (Non-Educational)	E	E			A-743
Lump Sum Payments	M	M		X	A-744
Migrant / Seasonal Farm Workers Emergency Assistance	E	E			A-745
Military Pay / Allowance	Y	Y	X		A-746
Minor Parent Income	M	M	X	X	A-747
National Community Service Act	M	M		X	A-736.3
Native and Indian Claims	M	M		X	A-736.4
Non-Citizen Sponsor's Income	M	M	X	X	A-670 A-723
Nutrition Programs	E	E			A-736.6
Out-of-State Diversion Payment	Y	E		X	A-722
Panhandling	E	E			A-766
PASS	E	E			A-749
Pensions	Y	Y		X	A-751
Professional Gambler	Y	Y	X		A-757 A-766
Property Income	Y	Y	X	X	A-757.4
Radiation Exposure	E	E			A-728.3
Reimbursements	M	M		X	A-753
Relocation Assistance	E	E			A-736.7
Retroactive Payments	M	M	X	X	A-744
Reverse Mortgage Loans	E	E			A-743 A-538
Roomer / Boarder Payments	Y	Y	X		A-757.5.1
RSDI	Y	Y		X	A-752
Self-Employment	Y	Y	X		A-757
SSI	E	Y		X	A-756
Strikers	Y	Y	X		A-758
Structured Settlement Annuity	Y	Y		X	A-744
Subsidized Housing	Y	M		X	A-736.8
TANF Benefits	M	Y		X	A-722
Temporary Insurance Disability (EICON) / Worker's Compensation	Y	Y	X	X	A-741
Temporary and Ongoing Assistance	M	Y		X	A-759
Third Party Beneficiary	M	M		X	A-761
Transitional Compensation for Abused Family Members (Military)	Y	Y		X	A-728.5
Transitional Housing for the Homeless	E	E			A-754
Trust Funds	Y	Y		X	A-762
UIB	Y	Y		X	A-763
Veterans Administration (VA) Payments	Y	Y		X	A-765

TYPE	TANF CASH	SNAP	EARNED	UNEARNED	MANUAL SECTION
Vendor Payments	E	M		X	A-764
Victims of Nazi Persecution (includes Holocaust & Swiss payments)	E	E			A-748
Wages, Salaries, Commissions	Y	Y	X		A-711
Workforce Innovation and Opportunity Act (WIOA)	M	M	X	X	A-742.1

721 ADOPTION SUBSIDIES

Do not count **UNLESS** the child receiving the subsidy is included in the household. (See E&P A-332)

Count as unearned income.

Exception: Exempt any portion of an adoption subsidy intended for costs other than normal living expenses. If the subsidy is for both normal living expenses and other costs, only the amount separately identified by local **Department of Children and Family Services** staff or other costs is exempt.

722 TANF BENEFITS

- Nevada TANF Benefit

Non-Needy Relative Caretaker and Kinship cash benefits are not countable income to the caretaker if they apply and have their own separate cash case.

- Out of State Benefit

Count the total amount as unearned income. Inform the other state of the change in residence if the household does not have verification of benefits having been terminated.

- Out of State Diversion Payment

If the household received an out-of-state diversion payment, apply the other state's ineligible period.

Count the gross benefits, less any overpayment collection, as unearned income.

Exception:

- **Count the gross amount when the overpayment is due to a TANF Intentional Program Violation (IPV).** When a TANF benefit is reduced by an IPV overpayment, the means-tested income penalty is applied, and the income used for SNAP purposes is the TANF benefit amount before the reduction (e.g. benefit reduced a pro rata share from \$338 for IPV by \$128 for a net grant of \$255. The income penalty would result in \$383 being budgeted).

- TANF underpayments and supplemental payments are lump sum payments and counted as a resource except when the payment covers a portion of an issuance month not yet paid and the underpayment will be received during the issuance month.
- Lump sum out-of-state diversion payments are a non-recurring lump sum.

If there is a TANF case to which a newborn must be added effective the date of birth and a portion of the TANF grant is for days in a previous SNAP benefit, prorate the TANF grant and add only the TANF amount which covers days in the SNAP benefit that has not been paid.

Example: The SNAP month is 4/1 – 4/30, the birth date is 4/15. A TANF underpayment for April is processed 4/25. Since the April SNAP benefit has already been paid, no adjustment is necessary for the SNAP benefit month of April. The child is added to the SNAP case and the May benefit is updated with the new ongoing TANF benefit amount.

723 NON-CITIZEN SPONSOR INCOME

The income and resources of an **eligible** “qualified” non-citizen’s sponsor and the sponsor’s spouse are deemed to the individual(s) being sponsored. Do not deem this income to the other household members who are not being sponsored (not listed on the Affidavit of Support, such as a U.S. citizen).

Sponsored non-citizens entering the country on or after August 22, 1996, are sponsored under a legally enforceable affidavit of sponsorship.

724 CASH GIFTS AND CONTRIBUTIONS

Count cash gifts or contributions as unearned income unless specifically subject to other income exemptions or disregards.

If the contribution is intended for more than one person, prorate it among everyone for whom it was intended.

Exempt gifts or contributions if they meet all the criteria below:

- cash gifts which total \$30 or less in a three-month period (benefit month and previous two months) for each household member, and
 - received too irregularly to be reasonably anticipated.
Reasonably anticipated means the customer knows
 - who it will come from,
 - in what month it will be received, and
 - how much it will be.
 - are made by a private, non-profit organization on the basis of need, and
 - total \$300 or less in a federal fiscal quarter.
- If these contributions exceed \$300 in a quarter, count the excess amount as income in the month received.
- Note:** The federal fiscal quarters are January – March, April – June, July – September, and October – December.

725 CHILD SUPPORT

Generally, payments from a Non-Custodial Parent (NCP) are considered child support and are the income of the child for whom the support is paid. This includes court ordered medical payments paid directly to the household from an NCP.

Deduct legally obligated fees from child support income. Legally obligated fees are those charged by a collection agency which the custodian agreed upon in a contract agreement.

If a single payment covers two or more children and the support order does not specify a portion for each child, prorate the payment among all the children. If the payment covers a child who is a household member and one or more children who are not, the payment is still prorated among all the children.

Cash gifts from an NCP which are received for special occasions (i.e., Christmas, birthdays, graduation, etc.), are budgeted as gifts and not considered child support or surrendered when:

- the current support or arrears obligation has been met, and
- the money is specifically earmarked as a gift.

Count as unearned income money legally obligated to the household, but which the payer makes or diverts to a third party for a household expense. This includes legally obligated court-ordered child support payments that are diverted to a third party for expenses, such as shelter or child care.

Do not count as income court ordered child support paid by a household member for another household member. For example, when the father of the children returns to the home, court-ordered child support has been deducted from his wages and paid to the custodial mother. These funds are not budgeted as income.

The amount deducted from the wages of a current household member and returned to the household is not allowed as a child support deduction for SNAP.

725.1 How to Verify and Budget Child Support Payments

Child Support Collected by the Support Enforcement Program (SEP) in Nevada: Use NVKIDS through SAM as verification of child support obligations and payments.

Child Support Collected by Another State and/or Paid Directly: Verify the court ordered amount and arrears (if any). Verify the payment amounts and the dates the payments were issued to the custodial parent (CST). It is best to ask for a payment history when verifying child support to help in the determination process of whether the income must be factored or a 60-day average needs to be used due to the irregular payments.

Direct voluntary child support may be verified using form 2506-EG or a statement from the NCP. Check stubs may be used; however, contacting the NCP to verify how many payments were made in the month should be attempted by the FSS. Use the customer's statement only when all other avenues of verifying child support are not feasible.

725.2 Requirement to Surrender Child Support

After approval, TANF NEON and TANF CHILD households must surrender all court ordered or voluntary child support payments **[including cash medical support]** to the Child Support Enforcement Program (CSEP) Office.

TANF Loan, Self-Sufficiency Grant and TANF Temporary households are not required to surrender child support payments. Support payments for these cases are budgeted as unearned income.

When the SNAP case has an attached pending TANF case, budget any voluntary or court ordered child support received or anticipated to be received prior to the approval of TANF as unearned income. Discontinue budgeting child support payments which must be surrendered at TANF approval.

Excess Child Support Collections

In rare instances, the support collected exceeds the debt owed by the NCP. In those cases, the excess amount may be sent to the household if there is no outstanding overpayment debt.

At TANF Approval

When determining benefits, budget any voluntary or court ordered child support received or anticipated to be received prior to approval as unearned income.

TANF NEON and TANF CHILD households are only required to surrender support payments AFTER approval. Instruct these households to surrender court-ordered or voluntary child support received after the approval date.

After TANF Approval

For TANF NEON and TANF CHILD households, ongoing child support is no longer budgeted to determine eligibility or benefit amount.

Do not count child support returned to a non-assisted household member unless their income is budgeted to determine eligibility of other household members. Any portion of child support received for a non-assisted family member who no longer resides in the home and is retained by a participating household member is considered available to the TANF/SNAP household and budgeted as unearned income.

Child support payments received by CSEP are generally retained as reimbursement for benefits paid. However, the money may be sent to the assistance unit for the following reasons:

- Collections for Non-TANF Unit Members – The amount of support collected for non-members is returned for their needs and is not budgeted.
- Collections for Closed Cases – Once a case closes, the collection process does not stop for CSEP, unless the custodian requests case closure. Arrearage or unreimbursed assistance is recovered, and current support obligations are enforced following closure. The current

support obligations are enforced following closure. The current support collected after closure is forwarded to the household and is budgeted

725.3 Lump-Sum Child Support Payments

All child support payments including arrearages are counted as income in the month received and a resource in the following month.

Lump sum child support payments are non-recurring lump sums. They are excluded as income and counted as a resource in the month received.

Lump sum payments on child support arrears are received from the following sources (not all inclusive):

- IRS intercept program
- Insurance settlements
- Financial institution attachment

NOTE: TANF customers do not receive the money from the NCP's tax refund intercept. The intercept is first applied to all arrears owed as a state debt. If there is a balance remaining, it is then applied to arrears owed to the custodial parent. CSEP retains the tax refund money to pay off unreimbursed benefits.

726 CHILDREN'S EARNED INCOME

Earnings for full-time minor dependent students are exempt for up to six months per calendar year. The six-month count begins the first month the household did or will receive assistance and starts over with each new calendar year. The six (6) month exemption per calendar year must be tracked manually by the case manager.

Verify school status. Breaks in school attendance, such as summer vacation and holidays, do not change the student status of a child. Ensure the child's enrollment will continue following the break.

INTAKE: If a child's earned income is not exempt because they have used the six (6) month exemption or is attending school part-time and working less than 30 hours per week, their income is countable in the 130% income test. If the household's income is under the 130% test,

Count a child's earned income unless they meet all the requirements below.

Exempt a child's earned income if the child is:

- 17 years of age or younger; **and**
- attending elementary or high school, or General Education Development (GED) classes at least half time or is too young to attend school; **and**
- lives with their natural, adoptive, or stepparents or is under the parental control of another household member.

The child's earned income is not exempt if the child:

- is 17 years of age or younger; **and**
- is attending elementary or high school, or GED classes at least half time; **and**
- has a separate SNAP case; **and**
- is not living with a natural, adoptive, or stepparent.

the child's earned income is not countable in the final benefit determination.

Budget the child's income in the 130% FPL income level and the final benefit determination if they attend school part-time and work more than 30 hours per week.

If a child's income is countable in the final benefit determination, (child is attending school part-time and working more than 30 hours per week and the household passes the 130% FPL income test) the child receives the same disregards/work expense deduction as any other wage earner in the household.

Disregards used by children are not counted when they apply for assistance as an adult.

ONGOING: Once a child has used the six (6) month full-time student exemption in a calendar year, their income is not countable in the final benefit determination for as long as they continue full-time student status.

The 130% income test only applies in the application month.

Example: The child (age 17) has their own child and is certified as head of household (H/H) on their own SNAP case. They are attending high school half time and employed. Count the earned income in this situation.

Accept customer's statement of school status, unless questionable. Breaks in school attendance, such as summer vacation and holidays, do not change the student status of a child.

When the child's earnings cannot be separated from that of the other household members, prorate total earnings equally among the working members.

727 CONTRACTUAL EARNINGS

Contractual earnings are wages and salaries predetermined prior to the start of employment. Self-employment income, unearned income, or income received on an hourly or piecework basis are not included. The two basic types of contractual earnings are:

- **Seasonal contractual employment:**

This type of employment is available only during specific months each year and typically recurs annually. Common examples include school-based jobs (such as teachers, bus drivers, and cafeteria staff), certain agricultural work, and seasonal positions during the summer or winter.

If the seasonal employment provides the household's primary income for the entire year, prorate the income over 12 months. However, if the seasonal earnings support only part of the year and the household relies on other income sources for the remainder, calculate the average based on the time period the income is meant to cover.

- **Contractual employment — non-seasonal:**

Applies when the contract is for a fixed duration and does not repeat. Earnings should be prorated over the entire contract period.

Example: Joe is hired to clear a large piece of property of all weeds and trash. The property owner will pay Joe a set price of \$1300 to clear the property within a three-month time frame. The contract is to clear the property for a set price in a specific time period regardless of the number of hours that will be required to do the work.

727.1 Monthly Budgeting of Contractual Earnings

To determine the monthly contractual earnings, divide the total gross amount of earnings provided in the contract by the number of months the contract covers.

728 DISABILITY BENEFITS

728.1 Disability Insurance Benefits

Count as unearned income. **Exception:** if the benefits are employer funded and the employment benefits while recuperating and remains employed, count as earned income.

Count as unearned income.

728.2 Agent Orange Settlement Payments

Exempt from income and resources any Agent Orange Settlement Payments disbursed by AETNA Insurance Company and paid to

- disabled veterans exposed to Agent Orange while in Vietnam who suffer from total disabilities caused by any disease, and
- survivors of deceased disabled veterans.

Disabled veterans receive yearly payments. Survivors of deceased disabled veterans receive a lump-sum settlement payment.

Note: Count VA disability payments as unearned income if they are paid to veterans with service-connected disabilities resulting from exposure to Agent Orange.

728.3 Radiation Exposure Compensation Act Payments

Exempt payments from the Radiation Exposure Compensation Act, Public Law 101-426.

728.4 Disability Payment for Children of Women Vietnam Veterans

Exempt any VA payment allowance for an individual with a disability from one or more covered birth defects who is a child of a woman Vietnam veteran. For the purpose of this section:

- Vietnam veteran means a woman who performed active military service in the Republic of Vietnam during the period beginning on February 28, 1961, and ending on May 7, 1975.
- Covered birth defect means any birth defect identified by the VA as a birth defect associated with the service of women Vietnam veterans and has resulted, and or may result, in permanent physical or mental disability.

728.5 Transitional Compensation for Abused Family Members (Military)

Congress passed regulations to provide monthly payments for dependents abused by an active member of the armed forces. Certain military eligibility requirements must be met to qualify for and receive the payments.

Transitional compensation, if approved with respect to a member shall be paid for a period of not less than 12 months and not more than 36 months. Any compensation received is considered unearned income.

729 INVESTMENT ANNUITIES

Investment annuities are tax deferred investments purchased from an insurance company by an individual or employer that guarantees income, usually for retirement, that, when withdrawn, is received on a periodic basis as chosen by the individual, such as monthly, quarterly, or yearly. Investment annuity payments are unearned income for each of the months covered by the payment. See E&P A-744 Lump Sum for structured annuities, such as those received due to a tort claim for personal injury. Intact investment annuities prior to payments being withdrawn, are resources – see E&P A-515 Liquid and Non-Liquid Resources.

730 ADDITIONAL TYPES OF INCOME – PART I

731 DIVIDENDS AND ROYALTIES

Count as unearned income.

732 ADVANCED EARNED INCOME TAX CREDITS (EITC)

Households with tax dependents and earnings below certain established levels are potentially eligible for EITC payments. The EITC money may be included in:

- an employee's paycheck (advance EITC payments) before their income tax return is filed. Advanced EITC received with wages from an employer are not considered in determining gross earned income and/or
- the household's Federal Income Tax refund. The total amount of a Federal Tax refund received after December 17, 2010, is disregarded as income and a resource in the month received and an additional 11 months.

733 EDUCATION ASSISTANCE

Educational assistance is any financial aid for vocational or educational courses from:

- an organization (such as fraternal, alumni, etc.).

- a government program or agency (such as U.S. Office of Education, Veterans Administration).

Verify all educational assistance to determine whether it is exempt or non-exempt.

Consider loans for education (including loans from relatives or other people) as educational assistance only if payment is deferred.

Most educational assistance programs are administered through the U.S. Office of Education under Title IV of the Higher Education Act. A few examples of the most common Title IV educational assistance grants include:

- Pell Grants
- Stafford Loan Program
- Parent Loans for Students (PLUS Loans)
- Supplemental Educational Opportunity Grants
- College Work Study
- Carl D. Perkins Loans (title IV, Part E) (formally National Direct Student Loans)

Educational assistance is also provided by the National Community Services Act (NCSA) program. Customers are awarded from \$1,000 to \$4,000 per year of completed services to apply toward past or future educational expenses. Do not count the educational award, as it is always made payable directly to the financial institution or institution of higher learning.

The VA provides educational assistance under a number of different programs. Payments are usually made monthly only for those months the veteran is in school. If school attendance is less than full time, the payments may be made less frequently. Dependents and survivors of veterans may also be eligible for educational benefits. Some VA educational benefits are based on contributions by the veteran.

- VA educational benefits paid directly to the veteran are counted as unearned income. However, any portion of a grant, scholarship or fellowship used for paying tuition, fees or other necessary educational expenses is excluded from income.
- The Monthly Housing Allowance (MHA) received by recipients of the Post 9-11 GI- Bill cannot be reduced for other educational expenses as this payment is earmarked specifically for shelter expenses- all tuition and fees are paid directly to the school for the benefit of the veteran.

733.1 Educational Assistance General Procedures

The following are procedures for determining countability and budgeting educational assistance. Apply these procedures to students of:

- a postsecondary institution,
- a school for mentally or physically handicapped, or
- a program which provides for completion of a secondary school diploma or the equivalent (such as a GED).

"Post-secondary" includes institutions of higher education and others not requiring a high school diploma (such as, community colleges and vocational educational programs) authorized by the state to provide educational or training programs beyond secondary education.

Exempt educational assistance:

- funded by Title IV of the Higher Education Act;
- from other sources which cover items not included in the TANF needs standards (see manual section A-650.3), including assistance made available for attendance costs;
- Governor's Millennium Scholarship provided by Nevada through the tobacco settlement.

Exempt the amount of assistance earmarked for **allowable** expenses, from countable education income, designated by either:

- the provider (school, institution, program, or other grantor)
or
- the student (verify if questionable) when:
 - the provider does not designate an amount, **or**
 - the amount designated by the student exceeds the amount designated by the provider.

Room and board is not **deducted** from educational assistance. Countable income may be reduced to zero after subtracting other allowable costs of attendance.

Budget as unearned income the portion of educational assistance which exceeds allowable educational expenses and prorate it over the period it is intended to cover. If a customer receives work study income (other than Title IV), deduct 20% of any work study income remaining after excluding expenses previously described. Do not deduct educational expenses from income other than countable educational assistance.

733.2 Budgeting — Determining Educational Assistance and Expenses

Determine educational assistance and expenses by requesting that the student provide:

- Form 2020 completed by the institution, or
- Proof of the amount of all types of educational assistance, such as the student's financial aid authorization letter, which lists the amount of educational assistance the student receives, and
- Proof of educational expenses. An example is the student's budget for cost of attendance available from the school's financial aid office. This is developed by the school and identifies various expenses a student has at that school (such as room, board, tuition, personal expenses, books, etc.). The budget may vary for different students depending on their status as graduates or undergraduates, type of housing, degree plan, need for child care, financial dependency, etc.

Note: Any document or statement from the school or the grantor of the educational assistance which "earmarks" or specifies how the money is to be spent is also acceptable.

If the school will not provide a budget for cost of attendance, or the student claims their educational expenses will exceed the amounts on the budget, allow the costs of attendance designated by the student. If an expense claimed by the student is questionable, allow it only after it is verified.

Prepaid educational costs or monthly payments for individuals to use in future years are not allowable deductions.

733.2.1 Step-by-Step Procedures

When a household receives educational assistance from more than one source, determine if each source is exempt or budgetable. Use the following steps to deduct allowable expenses from budgetable educational income.

1. Determine the total of all nonexempt educational assistance.
2. Total the allowable educational expenses and subtract them from Step 1. Do not subtract room and board expenses.

Note: Ensure any amounts designated by the student include expenses for the same period of time covered by the educational assistance.

If the student receives work study income, go to Step 3. Otherwise, go to Step 4.

3. Determine countable work study income (other than Title IV).
 - a. Subtract from work study income any amount of allowable expenses that exceed assistance totaled in Step 1, if any, and
 - b. Deduct 20% of any countable work study income remaining from Step 3(a).

NOTE: Do not count Title IV work study assistance as SNAP income

4. Count any remaining educational assistance from Step 2 and/or Step 3 and average the income over the period the money is intended to cover to determine the monthly income from these sources.
5. Add countable monthly amounts of any cash prizes, gifts, or awards from parents, guardians, or any other non-household member for the student's support.
6. Determine the household's eligibility and benefits as in any other case, considering all other income the student or other household members received.

When educational assistance that could not be anticipated is received after the school term or semester has begun, prorate the income, after exclusions, over the period it is intended to cover. Include it as income only for the remainder of the term. **Example:** If an unanticipated scholarship is received in November, prorate the scholarship to cover the entire semester (September — December). Count the prorated amount as income for only two months (November and December).

Count any other financial assistance as a contribution in the month received.

733.2.2 Miscellaneous Personal Expenses

Deduct miscellaneous personal expense(s) designated either by the school / provider or by the student.

Note: if the school / provider and the student both designate an amount for a miscellaneous personal expense, allow the greater amount.

Costs for room and board may not be considered a miscellaneous personal expense.

733.3 Verification of Student Income

Verify nonexempt scholarships, loans, or grants from the source providing the money. Verify exempt scholarships, loans, or grants only if information provided by the student is questionable.

734 ENERGY ASSISTANCE

Energy or utility assistance (payments and supplements) are paid to or behalf of the TANF and SNAP households from various governmental and private sources. The assistance may be in the form of cash, vendor, in-kind and two-party check payments.

Use the following chart to exempt or count this assistance as income:

SOURCE	TYPE PAYMENT	TANF	SNAP
Federal and State funded energy assistance provided by the Energy Assistance Program, administered by the Division. Federal and State funded weatherization services, including emergency repair or replacement of heating or cooling appliances provided through the Weatherization Program administered by the Housing Division	<ul style="list-style-type: none"> • vendor • in-kind • two-party check • cash 	exempt	exempt
Government funded utility supplement (federal or State) or local housing authority	<ul style="list-style-type: none"> • vendor • in-kind • two-party check 	exempt	exempt
	<ul style="list-style-type: none"> • cash 	exempt	count (except do not count utility supplemental payments issued directly to the household or vendored by HUD/Section 8 or Farmers Administration - FmHA)

Local government payments	<ul style="list-style-type: none"> • vendor • in-kind • two-party check 	exempt	exempt
	<ul style="list-style-type: none"> • cash 	exempt	exempt if USDA has approved for exemption
Source	Type of Payment	TANF	SNAP
Private non-profit organization (based on need).	<ul style="list-style-type: none"> • vendor • in-kind • two-party check 	exempt	exempt
	<ul style="list-style-type: none"> • cash 	count	count

NOTES:

- If an excludable energy assistance payment is combined with other payments, exempt only the energy assistance portion from income.
- Energy assistance provided under Title IV-A of Social Security Act (welfare block grant) is countable income.
- Income from state or local general assistance that (under state law) cannot be provided in cash directly to the household is excluded as income.

735 FOSTER CARE PAYMENTS

Exempt the income and resources of a child receiving federal, state, or local foster care payments.

Count as unearned income if the foster child or adult is included in the household. Exempt the foster care payment if the household chooses to consider the foster child or adult as a boarder. The exemption is valid regardless of how the foster parent spends the money.

736 GOVERNMENT-SPONSORED PROGRAMS

Count payments from government-sponsored programs unless exempted by other policy in this chapter.

736.1 Crime Victim's Compensation Payments

Crime victim's compensation payments are payments from the funds authorized by state legislation to assist a person who:

- has been a victim of a violent crime;
- was the spouse, parent, sibling, or adult child of a victim who died as a result of a violent crime; or
- is the guardian of a victim of a violent crime.

The payments are distributed by the Victim's of Crime Division in monthly payments or in a lump sum payment and may be designated to cover clothing, rent, utilities, food, transportation, medical needs or replacement costs, etc.

Exempt payments received on a monthly basis or in a lump sum.

736.2 Government Disaster Payments

Exempt government payments, such as Small Business Association loans and Individual Family Grants funds, made available to restore a home and personal possessions damaged in a disaster if the household is subject to legal penalties when the funds are not used as intended.

736.3 National and Community Services Act (NCSA)

The National and Community Services Act (NCSA) of 1993 established a corporation to administer paid volunteer service programs. The corporation provides funds, training, and technical assistance to states and communities to develop and expand human, education, environmental, and public safety services.

The corporation oversees existing programs created under the Domestic Volunteer Service Act (DVSA) of 1973, (Publ.L. 93-113) such as

- Volunteers in Service to America (VISTA),
- Retired Senior Volunteer Program (RSVP),
- Foster Grandparents,
- Senior Companions,
- Community Service Employment Program (includes Senior Citizen Service Employment),
- Service Corp of Retired Executives (SCORE),
- Active Corps of Executives (ACE),
- Mini Grant Program, and
- AmeriCorps

Certain income received from Title I, II and III programs by volunteers for services performed in programs stipulated in the Domestic Volunteer Act of 1973 are exempt. In addition to the programs listed above, any funds received through Title V of the Older Americans Act are exempt.

Monthly living stipends received by individuals participating in AmeriCorps State and National is exempt from all programs. No wages are paid to these individuals.

Exception: Exempt Title I, AmeriCorps VISTA payments received by DVSA volunteers only if the person was receiving TANF or SNAP when the person joined the VISTA program. Temporary interruptions in participation do not alter the exclusion once an initial determination has been made.

736.4 Native and Indian Claims and Distributions

The following sections contain Native and Indian claims and distribution information, and judicial rulings affecting income and resources pertaining to Indians. The information may not be all inclusive. Contact program staff in Eligibility and Payments for clarification.

Note: Except when specifically limited below, under Public Law 93-134 Section 7, Per Capita payments shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act.

736.4.1 Income as Distribution or Per Capita Payment

Provisions of appropriate federal laws pertinent to Section 7 of the Judgment Fund Distribution Act, Public Law (Publ. L.) 93-134, as amended by Section 4 of PL 97-458, 25 U.S.C. 1407; and Section 8 of Publ. L 93-134, as added Publ. L 97-458, Section 4, 96 Stat, 2514, amended Publ. L 103-66, 107 Stat. 663, describes whether income or interests in Indian trusts are taxable or should be considered as resources or income under the Social Security Act or any other federal or federally assisted program. Income applies to either distributions of funds appropriated in satisfaction of a judgment in favor of Indian tribes, bands, groups, pueblos, or communities by the Indian Claims Commission or the Court of Claims or per capita payments as permitted by the Per Capita Distributions Act of 1983, Publ. L 98-64, made to Indians out of tribal trust revenue held by the federal government, with the exception of funds held by Alaska Native Regional and Village Corporations (ANRVC) are not held in trust by the Secretary of the Interior. Therefore, ANRVC dividend distributions are not excluded from countable income under this exclusion.

- Tax Exempt Income, Resources Exemption or Limitation

None of the funds which:

1. Are distributed per capita or held in trust by the Secretary of the Interior;
2. On January 12, 1983, are to be distributed per capita or held are held in trust pursuant to a plan approved by the Congress prior to January 12, 1983;
3. Were distributed pursuant to a plan approved by the Congress after December 31, 1981, but prior to January 12, 1983, and any purchases made with such funds, or
4. Are paid by the State of Minnesota to Bois Forte Band of Chippewa Indians pursuant to the agreements of such Band under the Treaty of September 30, 1954, including all interest accrued on such funds during any period in which such funds are held in a minor's trust shall be subject to federal or state income taxes, nor shall such funds be considered as income or resources nor otherwise utilized as the basis of denying or reducing the financial assistance or other benefits to which such household or member would otherwise be entitled under the Social Security Act (42 U.S.C. 301 et seq.) or, *except for per capita shares in excess of \$2,000, any federal or federally assisted program;*
5. Are specifically excluded by another federal statute from consideration as income for the purpose of determining eligibility of any federal or federally assisted program.

Funds from the following sources are also exempt:

1. Per capita payments to members of the Red Lake Band of Chippewa Indians pursuant to Section 3 of Publ. L 85-794(#1);
2. Per capita payments by the Blackfeet and Gros Ventre tribal governments to members per Section 4 of Publ. L 92-254 and Section 6 of Publ. L 97-408;
3. Settlement payments to members of the Hopi and Navajo Tribes per Section 22 of Publ. L 93-531, as amended by Publ. L 96-305I*;

4. Per capita payments or funds held in trust for members of the Sac and Fox Indian Nation per Section 6 of PL 94-189*;
5. Per capita payments or funds held in trust for members of the Grand River Band of Ottawa Indians per Section 6 of PL 94-540*;
6. Judgment funds distributed per capita to members of the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation per Section 2 of PL 95-433;
7. Judgment funds distributed per capita...to members of the Delaware Tribe of Indians and the absentee Delaware Tribe of Western Oklahoma per Section 8 of PL 96-318;
8. All funds and distributions to members of the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet Indians under the Maine Indian Claims Settlement Act, and the availability of such funds under Section 9 of PL 96-420*;
9. Any distributions of judgment funds to members of the San Carlos Apache Indian Tribe of Arizona per Section 7 of PL 93-123*;
10. Any distribution of judgment funds to members of the Wyandot Tribe of Indians of Oklahoma per Section 6 of PL 97-371;
11. Distributions of judgment funds to members of the Shawnee Tribe of Indians (Absentee Shawnee Tribe of Oklahoma, the Eastern Shawnee Tribe of Oklahoma and the Cherokee Band of Shawnee descendants) per Section 7 of PL 97-372;
12. Judgment funds distributed per capita...to members of the Miami Tribe of Oklahoma and the Miami Indians of Indiana per Section 7 of PL 97-376;
13. Distributions of judgment funds to members of the Clallam Tribe of Indians of the State of Washington (Port Gamble Indian Community, Lower Elwha Tribal Community and the Jamestown Band of Clallam Indians) per Section 6 of PL 97-402;
14. Judgment funds distributed per capita or made available for programs for members of the Pembina Chippewa Indians (Turtle Mountain Band of Chippewa Indians, Chippewa Cree Tribe of Rocky Boy's Reservation, Minnesota Chippewa Tribe, Little Shell Band of the Chippewa Indians of Montana, and the nonmember Pembina descendants) per Section 9 of PL 97-403;
15. Per capita distributions of judgment funds to members of the Assiniboine Tribe of Fort Belknap Indian Community and the Papago Tribe of Arizona under Sections 6 and 8(d) of PL 97-408;
16. Up to \$2,000 of per capita distributions of judgment funds to members of the Confederated Tribes of the Warm Springs Reservation under Section 4 of PL-436*;
17. Judgment funds distributed to the Red Lake Band of Chippewa Indians per Section 3 of PL 98-123 (#2);

18. Per capita distributions or family interest payments for members of the Assiniboine Tribe of Fort Belknap Indian Community of Montana and the Assiniboine Tribe of the Fort Peck Indian Reservation and Montana under Section 5 of PL 98-124; Distributions of judgment funds and income derived there from to members of the Shoalwater Bay Indian Tribe under Section 5 of PL 98-432;
19. All distributions to heirs of certain deceased Indians under Section 8 of the Old Age Assistance Claims Settlement Act, PL 98-500*;
20. Judgment funds distributed per capita...for members of the Wyandotte Tribe of Oklahoma and the Absentee Wyandottes under Section 106 of PL 98-602;
21. Per capita and dividend payment distributions of judgment funds to members of the Santee Sioux Tribe of Nebraska, the Flandreau Santee Tribe, the Prairie Island Sioux, Lower Sioux, and Shakopee Mdewakanton Sioux Communities of Minnesota per Section 8 of PL 99-130 and Section 7 of PL 93-134, as amended by PL 97-458;
22. Funds distributed per capita or held in trust for members of the Chippewas of Lake Superior and the Chippewas of the Mississippi per Section 6 of PL 99-146 (#3);
23. Distributions of claims settlement funds to members of the White Earth Band of Chippewa Indians as allottees, or their heirs, under Section 16 of PL 99-264 (#4);
24. Payments or distributions of judgment funds, and the availability of any amount of such payments or distributions, to members of the Saginaw Chippewa Indian Tribe of Michigan under Section 6 of PL 99-346* (#5);
25. Judgment funds distributed per capita or held in trust for members of the Chippewas of Lake Superior and the Chippewas of the Mississippi under Section 4 of PL 99-377 (#6);
26. Judgment funds distributed to members of the Cow Creek Band of Umpqua Tribe of Indians under Section 4 of PL 200-139;
27. Per capita payments of claims settlement funds to members of the Coushatta Tribe of Louisiana under Section 2 of PL 100-411 and Section 7 of PL 93-134, as amended by PL 97-458*;
28. Funds distributed per capita for members of the Hoopa Valley Indian Tribe and the Yurok Indian Tribe under Sections 4, 6 and 7 of PL 100-580 and Section 3 of PL 98-64*;
29. Judgment funds held in trust by the United States, including interest and investment income accruing on such funds, and judgment funds made available for programs or distributed to members of the Wisconsin Band of Potawatomi (Hannahville Indian Community and Forest County Potawatomi) under Section 503 of PL 100-581;
30. All funds, assets and income from trust funds transferred to the members of the Puyallup Tribe under Section 10 of the Puyallup Tribe of Indians Settlement Act of 1989, PL 101-411I;

31. Judgment funds distributed per capita, or held in trust...for members of the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, Miccosukee Tribe of Indians of Florida and the Independent Seminole Indians of Florida under Section 8 of PL 101-277*; Payments, funds, distributions or income derived from them to members of the Seneca Nation of New York under Section 8(b) of the Seneca Nation Settlement Act of 1990, PL 101-503**;
32. Per capita distributions of settlement funds under Section 102 of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990, PL 101-618, and Section 7 of PL 93-134, as amended by PL 97-458;
33. Settlement funds, assets, income, payments or distributions from trust funds to members of the Catawba Indian Tribe of South Carolina under Section 11(m) of PL 103-116;
34. Settlement funds held in trust (including interest and investment income accruing on such funds) for, and payments made to, members of the Confederated Tribes of the Colville Reservation under Section 7(b) of PL 103-436*;
35. Payments received under the Alaska Native Claims Settlement Act, PL 92- 203, Section 21(a)(#1);
36. Distributions received by an individual Alaska Native or descendant of an Alaska Native from an Alaska Native Regional and Village Corporation pursuant to the Alaska Native Claims Settlement Act, as follows: cash, including cash dividends on stock received from a Native Corporation to the extent that it does not, in the aggregate, exceed \$2,000 per individual each year; stock, including stock issued or distributed by a Native Corporation as a dividend or distribution on stock; a partnership interest; land or an interest in land, including land or an interest in land received from a Native Corporation as a dividend or distribution on stock; and an interest in settlement trust. This exclusion is pursuant to Section 15 of the Alaska Native Claims Settlement Act Amendments of 1987, PL 100-241, 101 Stat. 1812, 43 U.S.C. 1626(c), effective February 3, 1988**(2).
37. Per capita distributions awarded to the Western Shoshone Indians pursuant to Public Law 108-270 approved July 7, 2004.

(*) This exclusion applies to the income of sponsors of aliens only if the alien lives in the sponsor's household.

(**) This exclusion does not apply in deeming income from sponsors to aliens. (#s) Respective laws pertinent to the Chippewa Indians and respectively to the Alaskan Natives.

736.4.2 Trust or Restricted Lands for Individual Indians

Interests of individual Indians in trust or restricted lands shall not be considered a resource, and up to \$2,000 per year of income received by individual Indians that is derived from such interests, leases, shall not be considered income, in determining eligibility for assistance under the Social Security Act, or any other federal or federally assisted program, pursuant to Section 13736 of PL 103-66, 107 Stat. 663 25 U.S.C 1408 as amended. (See Section 736.4 for Tribes included)

Note: Exempt up to \$2,000 of the total income in the month received and apply any balance in the next month as a resource. For example, a tribal member leases his land, receiving \$5,000 in yearly lease

payments. Exempt \$2,000 each year in the month received and apply the balance of \$3,000 as a countable resource in the following month.

736.4.3 Court Exempted Income

Protections in the beginning of this chapter apply only to funds and other interests held *in trust* by the federal government. The following court rulings also exempt incomes for the tribes listed below:

1. Income from the sale of timber from land held in trust, *Squire v. Capoman*, 351 U.S. 1(1956);
2. Income derived from farming and ranching operations on reservation land held in trust by the federal government, *Stevens v. IRS*, 452 F.2d 741(9th Cir. 1971);
3. Internal Revenue ruling has also found the following to qualify if they were derived from trust property, including income derived from rentals, royalties, sale proceeds from natural resources of the land, and sale proceeds from crops grown on the land and use of the land for grazing purposes. *The Law of Federal Income Taxation*, Jacob Mertens, Jr., Section 6A.101.

736.4.4 Income from Tribal Gaming

Per capita distributions of revenues from tribal gaming on tribal trust property are not protected by Sections 1407 and 1408, as such funds are not held in trust by the federal government. Per capita payments resulting from gaming revenues are subject to federal taxation, Public Law 100-97, Section 11, 102 Stat. 2472, and are not exempt.

736.4.5 Income from Lands and Subsurface Mineral Rights

Provisions of the National Industrial Recovery Act, the Emergency Relief Appropriation Act, and Section 55 of the Act of August 24, 1935, and lastly Public Law 94-114, conveyed portions of the lands and subsurface mineral rights to designated tribes, including accrued income. Funds distributed to the members of the tribes identified or to their households are excluded as income or resources for the purposes of determining eligibility for assistance under the Social Security Act or any other federal or federally assisted program. Tribes include:

1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin, Bad River Reservation, Wisconsin;*
2. Blackfeet Tribe, Blackfeet Reservation, Montana;*
3. Cherokee Nation of Oklahoma, Oklahoma;*
4. Cheyenne River Sioux Tribe, Cheyenne River Reservation, South Dakota;
5. Crow Creek Sioux Tribe, Crow Creek, South Dakota;*
6. Lower Brule Sioux Tribe, Lower Brule Reservation, South Dakota;*

7. Devil's Lake Sioux Tribe, Fort Totten, North Dakota;*
8. Fort Belknap Indian Community, Fort Belknap Reservation, Montana;*
9. Assiniboine and Sioux Tribes, Fort Peck Reservation, Montana;*
10. Lac Courte Oreilles Band of Lake Superior Chippewa Indians, Lac Courte Oreilles Reservation, Wisconsin;*
11. Keweenaw Bay Indian Community, L'Anse Reservation, Michigan;*
12. Minnesota Chippewa Tribe, White Earth Reservation, Minnesota;*
13. Navajo Tribe, Navajo Reservation, New Mexico;*
14. Ogalala Sioux Tribe, Pine Ridge Reservation, South Dakota;*
15. Rosebud Sioux Tribe, Rosebud Reservation, South Dakota;*
16. Shoshone-Bannock Tribes, Fort Hall Reservation, Idaho;*
17. Standing Rock Sioux Tribe, Standing Rock Reservation, North and South Dakotas.*

(*) This exclusion applies to the income of sponsors of aliens only if the alien lives in the sponsor's household

And, by other statutes, receipts from lands held by the following tribal entities are exempt:

1. Seminole Indians in Florida by the Act of July 20, 1956, 86 Stat. 581;
2. Pueblos in Zia and Jemez in New Mexico by the Act of August 2, 1956, 70 Stat. 941;
3. Burns Paiute Indian Colony in Oregon by the Act of October 13, 1972, 86 Stat. 806;
4. Stockbridge Munsee Indian Community in Wisconsin by the Act of October 9, 1972, 86 Stat. 795, Public Law 94-114;
5. Pueblos of Santa Ana and Zia in New Mexico, Public Law 95-499, 92 Stat. 1680;
6. Pueblo of Zia of New Mexico, Public Law 95-499.

736.5 In-Home Family Preservation Program (FPP)/Supported Living Arrangement (SLA)

In-Home (FPP) payments and (SLA) payments are funds authorized by state legislation to assist individuals with disabilities or mentally disabled SSI individuals so they can live in the community. In-Home FPP payments are administered and distributed by the Nevada Department of Aging and Disability Services (ADSD) for:

- persons with profound or severe intellectual or developmental disability; or
- children under the age of 6 years with developmental delays.

Most In-Home Family Preservation or SLA payments are received in more than one cash or vendor payment. In these multiple payment situations, exempt any portion of the payment that is deducted or recouped as a case manager service fee and:

Excluded Payments:

- Equal to the difference between the payment allowance and the 100% need standard when the payment is for items not included in the need standard, or the payment supplements the needs standard;

AND

- exempt payments to or received on behalf of an SSI recipient, and
- exempt payments for medical needs that are not paid by Medicaid .
- exempt vendored SLA payments.

Exempt

- reimbursements for expenses other than normal living expenses.

Notes:

- Medical expenses are not normal living expenses.
- Do not allow a medical deduction for any part of an expense that is reimbursed.
- Reimbursements for receipted expenditures are not considered income.

Vendored SLA assistance is not budgetable. This includes food vouchers which are taken to a retail store.

Vendored expenses are not allowed deductions. They only program expense allowed is the qualifying non-vendored portion of expenses paid directly by the customer.

Example: if a customer is responsible for rent of \$400.00, the SLA vendor pays \$300, but the customer still must pay \$100, allow \$100 as a shelter expense. If the household's utilities total \$125, the customer is responsible for \$50 and the SLA vendor pays \$75, the customer is still eligible for a utility expense. If the utility costs are for heating and/or cooling, the Standard Utility Allowance (SUA) should be allowed.

Whether or not SLA is deposited into a bank account or patient funds are being vendored for such things as rent, child care, utilities, food, etc. The portion of the SLA which is being vendored is not countable income.

If the customer is provided SLA (in or out of an account) which is not vendored, evaluate which portion of the funds are countable after allowable exclusions and deductions.

The Division of Public and Behavioral Health (DPBH) may also refer to SLA as Supplemental Living Assistance; however, this is the same as Supported Living Arrangement.

Copies of “*Service Agreements - Supported Living Arrangement*”, account ledgers, patient account records and bank account statements must be obtained for review and case record retention. These documents will be used to determine which expenses are being supported/supplemented with SLA payments and those expenses the household is responsible for, based on the household income/need. The service agreement is an agreement between the household, provider and the State of Nevada (DPBH). The agreement identifies established SLA program dollar allowances for specific expenses and also states the financial responsibility for both the individual and state.

Case management, administrative and direct service fee totals are subtracted from SLA room and board total amount identified in the ***last column*** under the Budget Plan section on the SLA service agreement titled “***State***”. The remainder of the income is evaluated to determine if it is budgetable or exempt. If it is determined the SLA allowance for room and board are all vendored, it is not necessary to complete mathematical computations.

Example:

- The SLA service agreement shows a specific allowable rent amount of \$400, with individual responsible for \$311 and a deficit of \$89 which is identified as the SLA payment. The \$89 SLA payment is budgeted **unless** the rent **expense** is vendor paid.
- The food expense is set at the maximum allotment value for one person, with individual responsibility as the maximum allotment value because they receive maximum SNAP benefits for a one-person household and no SLA payment noted. There is no SLA food expense payment in this situation because the customer received maximum SNAP benefits.

If questions should arise about a DPBH service agreement, contact the issuing SLA agency for clarification.

736.6 Nutrition Programs

Exempt the value of supplemental food assistance under the Child Nutrition Act of 1966 and under the special food service program for children (National School Lunch Act).

Exempt benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965.

736.7 Relocation Assistance

Exempt payments provided under

- Title II of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970.
- Public Law 93-531 to members of the Navajo or Hopi Tribes.
- Title I of Public Law 100-383. These payments are made to Aleuts or individuals of Japanese ancestry (or their heirs) who were relocated during World War II

736.8 Subsidized Housing Assistance

The value of government housing and other rental subsidies, whether cash, two- party check, in-kind or vendor paid is countable income. The value of the subsidy up to \$76 is counted as unearned income to the household. The income is only counted when the responsible tenant of the subsidized housing is an individual whose income is used to determine eligibility.

When multiple responsible tenants are included in the same household, only one value of subsidized housing up to \$76 is budgeted

Count

- Cash payments, and
- vendor payments paid from state or local government funds (unless exempt as specified below)

Exempt

- in-kind payments
- federally funded vendor or two-party check payments, and

(i.e., two-parent household and both mother and father are responsible tenants, consider only one subsidy).

When one or more responsible tenants are **not** included in the same TANF household, the subsidy amount is divided by the number of responsible tenants and the resulting figure of up to \$76 is budgeted per household (i.e., subsidy is \$120, two responsible tenants could get \$60 each. Subsidy is \$300, two responsible tenants could get \$76 each).

The subsidy is the financial assistance or the portion of rent the housing entity pays on behalf of the tenant(s).

Only the following rent and housing subsidies are considered in determining the assistance unit's share of government rent or housing subsidy:

- Housing and Urban Development's (HUD)
 - Section 8
 - Public Housing
 - Indian Housing
 - Transitional Housing
- United States Department of Agriculture's (USDA)
 - FmHA Section 515 Rental Assistance.

Note: The Manufactured Housing Division's **lot rent** subsidy program for qualifying low-income mobile homeowners is not considered subsidized housing assistance because it is not a **housing** subsidy.

When the assistance unit is approved for subsidized housing, the first month the housing subsidy **MUST** be budgeted is the second month following the month the change occurred. However, a change of circumstances is always acted on as soon as administratively possible (notification of adverse action is required).

When the assistance unit receives housing for a partial month, the value of the subsidy for the

- vendor payments paid by FmHA, HUD, State or local housing authorities funds for rent or mortgages and transitional housing for the homeless.
- Self-Help funds granted by USDA-Rural Development to financial lending institutes for low-interest mortgages extended to qualifying Nevada families to purchase affordable housing.
- Manufactured housing lot rent subsidy for qualifying low-income mobile homeowner. The mobile lot subsidy is paid directly to the mobile home park. **Note:** if a lot subsidy is being paid, only consider the portion of the lot rent paid by the SNAP household as a shelter expense deduction.

full month is prorated for the partial month. If the prorated value of the subsidy is \$76 or more, \$76 is budgeted. If the prorated value is less than \$76, the actual amount of prorated subsidy value is budgeted.

Exception: If there are verifiable barriers to an individual being allowed to reside in a subsidized residence, do not budget the \$76 until the household is able to return to the residence (e.g., flood, fire, condemned property, padlocked eviction, domestic violence).

736.9 Independent Living Payments

Payments for the Independent Living Program are made from Title IV-E funds and are distributed by Department of Children and Family Services (DCFS) staff to certain children when they leave foster care. Payments:

are exempt

Count as unearned income.

Exception: Exempt any amount of the payments intended to reimburse the child for expenses other than those for normal living.

736.10 Individual Development Account (IDA)

The use of Individual Development Accounts (IDAs) is intended to improve the economic independence and stability of individuals and families and to promote and support the transition to economic self-sufficiency. Federal funds match the amount of earnings low-income working individuals and families deposit into an IDA. IDA savings are to be used for a first home purchase, post-secondary educational expenses, or business capitalization.

EXEMPT (while the individual is participating in the IDA program).

- Matching funds deposited into an established IDA;
- Interest accruing on the matching funds; and
- Funds (earnings) deposited and interest earned by the individual.

- Matching funds deposited into an established IDA; and
- Interest accruing on the matching funds.

Earned income deposited into an IDA is budgeted in the determining eligibility and allotment amounts for the month received. Once the earned income is deposited into the IDA, the funds are excluded resources.

An individual whose participation in the IDA program has terminated, voluntarily or otherwise, would no longer be covered by the exemption.

736.11 Census Income

Income received from the Census Bureau for temporary employment related to census activities is exempt.

Income received from the Census Bureau for temporary employed related to census activities is countable as earned income.

737 IN-KIND INCOME

In-kind benefits are those for which no monetary payment is made on behalf of the household which may include meals, clothing, or housing.

Count the value of work performed in exchange for one of the defined needs outlined in manual section C-140 as earned income. If services are not exchanged for one of the defined needs, it is not in-kind income.

In-kind income is exempt.

738 INTEREST

Count as unearned income, interest from:

- A trust account
- Bank accounts, credit unions, IRAs and Retirement accounts.

Count as unearned income when the household receives account statement.

Note: residual income from a movie acting career is unearned income.

Exempt interest from

- An IDA savings account established under the Assets for Independence act (AFIA) – Public Law 105-285 or authorized by section 404(h) title IV of the Social Security Act as long as the individual is participating in the IDA program. An individual whose participation in the IDA program has terminated, voluntarily or otherwise, would no longer be covered by this exemption.

739 ALIMONY

Count as unearned income.

740 ADDITIONAL TYPES OF INCOME – PART II**741 TEMPORARY INSURANCE DISABILITY/WORKER COMPENSATION**

Temporary disability insurance and temporary worker compensation payments which are employer-funded, such as Employers Insurance Company of Nevada (EICON) compensation, are considered.

Count benefits for a permanent or temporary disability as unearned income if the recipient is no longer employed. Count temporary disability insurance and worker's compensation payments which are employer funded as earned income when the recipient remains employed while recuperating

Count benefits for permanent or temporary disability as unearned income

Exceptions:

- Exempt any reimbursement for a medical bill the household paid. Reimbursements are usually made by a separate check.
- Exempt deductions for FICA or income taxes if the benefits is counted as unearned income.

742 JOB TRAINING**742.1 Workforce Innovation and Opportunity Act of 2014 (WIOA) formerly the Workforce Investment Act (WIA) of 1998.**

Consider the gross amount of payments from WIOA-funded programs as:

- Earned income, if received for on-the-job training (OJT), Non-WIOA Limited Work Experience (LWE) or Job Corps participation.
- Unearned income such as incentive payments (even if based on hourly participation).

WIOA Earned Income Payments

WIOA earnings for individuals 17 years old or younger who are under the parental control of another household member are exempt. This includes income that is funded by both WIOA and the employer.

Note: WIOA earnings will be excluded until the month following the month the child becomes 18 years of age.

Note: (OJT) payments under WIOA received under the Summer Youth Employment and Training Program (SYETP) are also excluded as income. However, OJT payments to youths, other than dependents under age 19, in year-round programs and payments to adults are counted.

All WIOA income other than earnings from OJT is exempt for **ALL** individuals. This includes allowances, reimbursements or stipends for meals, transportation, WIOA college work study and other costs.

EXCEPTION: A TANF child's WIOA is exempt for six months in a calendar year and then evaluated and budgeted as adult earnings.

Note: The income **exclusion** also applies to AmeriCorps payments under any comparable training program.

See manual section A-726 for children's earned income.

For a TANF child, exempt the first six (6) months of WIOA-earned income each calendar year. Follow policy in section A-726 (Children's Earned Income) for earned income received after this six-month exemption. WIOA income is considered.

- in the 130% of Poverty and final eligibility/benefit determination after the six (6) month exclusion for *full-time students, or part-time students working less than thirty (30) hours per week*

OR

- budgeted in both the 130% of Poverty and final eligibility/benefit determination for part-time students working at least or more than thirty (30) hours per week and non-students.

Note: The six-months need not be consecutive. The count begins the first month the individual did or will receive assistance and **starts over each calendar year**. Up to 12 (twelve) months of disregard is available but no more than:

- six (6) months for WIOA related employment, and
- six (6) months for non- WIOA related employment.

Case Documentation Note: This and other exempt income should be documented and tracked in the case record to avoid eligibility and benefit discrepancies. A system future action (FACT) is required for these cases to ensure advance notice requirements are met before changing exempt income to countable income.

For TANF adults, count the gross pay.

WIOA Unearned Income Payments

Exempt unearned income WIOA payments received by a TANF child (does not include minor mother caretakers on their own case).

Count unearned income WIOA payments received by TANF adults unless specifically exempted below:

- Exempt payments the provider identifies as
 - a needs-based payment,
 - for supportive services, or
 - for post-program supportive services
- Exempt WIOA payments to TANF adults based on their participation in any of the following programs:
 - Summer Youth Program,
 - Work Experience Program, or
 - WIOA Limited Work Experience Program (includes WIA funded work study when the individual attends community college/ university vocational courses or the individual is in Perkins Educational Grant).
- Exempt portions of WIOA money specifically identified as reimbursement for training-related expenses such as transportation, meals away from home, and similar expenses

742.2 Other Job Training and Training Allowances

Payments from other agencies for training-related expenses are exempt.

Note: if the payment is for training and monthly maintenance, exempt only the portion for training.

Allowances from vocational and rehabilitative programs which are not reimbursements are counted as earned income.

743 LOANS (NON-EDUCATIONAL)

Consider financial assistance a loan if the lender states the money contributed to the household is a loan regardless of the intent of the borrower to repay the loan.

Exempt financial assistance if considered a loan.

In the SNAP program this includes county General and Interim Assistance (IA) that requires repayment to the county or issuing agency (e.g., individuals pending SSI receive IA, but must sign a contract to repay the county when approved SSI).

Reverse Mortgages are home equity loans. Money from the Reverse Mortgage can be in the form of a lump sum, monthly advances, a line-of-credit or a combination of all three payment methods. Reverse Mortgage loans become due with interest either when the person permanently moves, sells their home, dies or reached the end of the pre-selected loan term.

744 LUMP SUM PAYMENTS

Lump sum payments include, but are not limited to, retroactive benefit payments, RSDI, UIB, VA, etc., insurance settlements, awards or settlements received for personal injury, structured settlement annuity, inheritance, irregular or unpredictable wage bonuses, employment severance pay, retroactive pay increases, etc. (not all inclusive).

Note: A lump sum amount received from the sale of real property is considered a resource, not income.

Nonrecurring lump sum payments are any payment(s) received in a month, made from a source that is not likely to make additional lump sum payments to the household. Lump sum payments may be received in one or more individual checks but are considered a lump sum if all money received is a part of the whole payment due.

If a lump sum is provided to assist with burial, legal, medical bills or replacement of damaged or lost possessions, disregard from the lump sum amounts earmarked and used for the purpose for which it was paid. To verify earmarked expenses, request a copy of the settlement agreement and verification of payment for earmarked expenses claimed to determine any budgetable amount.

Count lump-sum payments as unearned income in the month received if it is received or anticipated more often than once a year.

Exempt lump sum payments as income if received once a year or less, unless specifically listed as income. Count it as a resource in the month received.

Note: If a household is receiving a settlement in installments, such as a structured settlement annuity, determine if the payor would have paid the total in one payment. If so, budget the lump sum as if received in one payment, not installments.

Example:

- A settlement of \$10,000 is awarded for a personal injury claim to be paid out at \$500.00 per month for 20 months – exempt as income and budget the \$10,000 lump sum as a resource in the month the first payment is received.
- A settlement of monthly payments of \$1,000 per month for the life of the claimant is awarded as a structured settlement annuity – budget \$1,000 per month as unearned income.

Exception: If any of the following situations occurs, a lump sum is counted as income in the month received:

- The countable lump sum plus other countable adjusted gross monthly income is less than or equal to 100% needs standard for the family's size.

- The lump sum is received by someone who is not a member of the assistance unit but whose income is applied to the assistance unit.
- Count lump sums received in any pending month as income unless otherwise exempt.

When a lump sum is counted as income in the month of receipt, count any amount remaining after that month as a resource.

745 MIGRANT OR SEASONAL FARM WORKER EMERGENCY ASSISTANCE

Exempt emergency assistance made to a migrant or seasonal farm worker household while in the job stream. This assistance may include, but is not limited to, emergency vendor payments for housing or transportation. It does not include vendor payments for gas or auto repairs to get the migrant back home or to another area of employment, nor does it include transportation to get the seasonal worker to the farm. These are not part of normal emergency grants

Verify income with the source of the emergency assistance.

NOTE: Vendor payments from HUD for rent or mortgage, or state or local housing authorities, or any other source exempted by another policy are exempt.

746 MILITARY PAY AND ALLOWANCES

Military pay includes Basic Pay (BP), Proficiency Pay (PRO), Basic Allowance for Quarters (BAQ), or Basic Allowance for Subsistence (BAS) and as of May 2001, Family Subsistence Supplemental Allowance (FSSA).

Count military pay and allowances for housing, food, base pay and flight pay as **earned** income. FSSA will be counted as unearned income in all programs. FSSA income is shown on the member's "Leave and Earning Statement," which is the standard wage information form used by the military.

In those cases where a military member resides in privatized base housing and the BAH (Basic Allowance for Housing) displays on the Leave and Earnings Statement (LES), the BAH must be budgeted as earned income and the amount listed as an allotment to the private housing company must be listed as rent on the Shelter BAP. These households would not be entitled to a utility deduction unless proof of out-of-pocket utility costs is provided (i.e. telephone).

SNAP Exception:

- Do not count as income any military pay withheld to fund education under the G.I. Bill.
- Additional payment received under chapter 5 of title 37, United States Code, by a member of the United States Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is.

the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone.

747

MINOR PARENT INCOME

Minors are children under age 18. They are no longer considered minors beginning the month following the month in which they become age 18 or are emancipated. When a minor marries, they are emancipated even after divorce; therefore, they are no longer a dependent child and are ineligible in the parent's assistance unit. A minor may also be emancipated by a decree of emancipation issued by the juvenile division of the district court.

When minors are living with their natural/adoptive parents and the parents are not requesting assistance, the parent's income is used to determine eligibility for the minor's assistance unit. *In this instance, the minor's parents are called responsible parents and a responsible parent's income is always deemed.*

Minor unmarried mothers must live at home with their parent(s) or in an approved supervised living arrangement unless good cause is determined. A court-ordered emancipation in and of itself is not considered "good cause" but may be taken into consideration when making this determination. Emancipated minor parents are required to provide the Emancipation Order with the application. The Emancipation Order will be forwarded to the Chief of E&P, who will request the DAG to petition the court to vacate the order.

Follow these steps when determining eligibility for households with a minor parent.

Determine which of the following situations describes the household:

A	Minor parent Minor parent's child Minor parent's legal parent(s) Minor parent's minor siblings
B	Minor parent Minor parent's child Minor parent's legal parent(s) Minor parent's minor siblings Minor parent's stepparent
C	Minor parent Minor parent's child Minor parent's legal parent(s) Minor parent's stepparent Minor parent's minor siblings Legal parent and stepparent's mutual child

If the household is described in situation...	And the legal major parent(s) chooses to apply for TANF	Include in the assistance unit...	Using these budgeting procedures,
A	yes,	All household members. Treat the minor parent as a child.	Combine and count income/ resources according to TANF guidelines for exempt and countable income and resources
A	no,	Minor parent Minor parent's child	Apply the legal parent's income using Responsible Parent Deeming / Stepparent budgeting procedures in A-660. Treat the minor parent(s) income according to adult caregiver policies.
B	yes,	All members except the Stepparent Treat the minor parent as a child.	Apply the stepparent's income if they are not included in the case. Follow budgeting procedures in A-660
C	yes,	All members Treat the minor parent as a child.	Count income according to TANF guidelines. If ineligible, process minor parent's application according to the procedures in the next situation.
B or C	no,	Minor parents Minor parent's child	Count the legal parent's income using Reasonable Parent Deeming/ Stepparent budgeting procedures. Treat the minor parent's income according to adult caregiver policies.

- The stepparent is considered a relative of a specified degree and can be included when the natural parent is incapacitated.

Notes:

- If the minor parent lives with both parents, allow the needs of both parents when determining deemed income.
- Do not count resources of a minor parent's parent unless the parent is included in the household.
- Do not budget income of the stepparent of a minor parent.

748 PAYMENTS TO VICTIMS OF NAZI PERSECUTION

Exclude as income any payments made to individuals because of their status as victims of Nazi persecution. This includes Holocaust and Swiss payments.

749 PLAN FOR ACHIEVING SELF-SUFFICIENCY (PASS)

Exempt any income received by an SSI recipient.

Exempt from earned or unearned income any amount an SSI recipient deposits into a PASS account or uses towards completion of a PASS plan.

Note: if the PASS contribution is made from earned income, deduct the PASS contribution from the individual's gross earnings before deducting the 20% earned income deduction.

A PASS can be, but is not limited to:

- Money deposited into a savings account to purchase a vehicle for employment transportation;
- Money deposited into a savings account to start a new business; or
- Money used toward an educational program.

The PASS plan must be approved by the Social Security Administration (SSA). The SSI recipient will receive a notice from SSA approving or disapproving of the PASS plan. This notice is satisfactory verification of the PASS plan.

750 ADDITIONAL TYPES OF INOCME – PART III**751 PENSIONS**

A pension is any benefit derived from former employment (such as retirement benefits, a disability pension, or an employee and/or employer purchased retirement annuity). **Count as unearned income in the month received.**

752 RSDI (Retirement, Survivors and Disability Insurance) BENEFITS

Count the amount of the entitlement (including the amount deducted from the check for the Medicare premium), **less any amount** that is being **recouped** for a prior overpayment, as unearned income.

The legally obligated monthly fees, collected by representative payees from RSDI individuals, are deducted from the gross amount.

The Internal Revenue Service (IRS) offsets Social Security payments to collect claims for unpaid federal taxes under the Federal Payment Levy Program. The recouped amount for unpaid federal taxes will be included as available income. The BENDEX will continue to reflect the full monthly Social Security payment with no visible sign of this offset.

753 REIMBURSEMENTS

Exempt a reimbursement (not to exceed the incurred expense) provided specifically for a past or future expense

- Which are medical insurance reimbursements for expenses previously paid by the household.
 - Which are refunds from an employer for previously paid business expenses.
 - Which is money received from a loan repayment.
 - Other than normal living expense.
- Note:** any funds received as interest on a loan are budgetable.

Count any excess as unearned income unless the reimbursement is a flat allowance for the expense incurred.

753.1 Restitution to Victims of Crime

Exempt any restitution payments made to a victim of crime to replace specific items lost due to the crime.

754 TRANSITIONAL HOUSING ASSISTANCE FOR THE HOMELESS

Exempt – do not count.

755 ROYALTIES

Count as unearned income.

756 SSI

Exempt the income and resources of an SSI recipient, including those whose payment is reduced to zero, living in the home if

- The SSI recipient would otherwise be an eligible member of the TANF unit,
- The SSI recipient would otherwise be someone whose income is applied to the TANF unit, or
- A TANF certified member is the SSI recipient's payee.

If other SSI recipients live in the home and contribute to a member of the TANF unit, follow the contributions policy

Count the amount of the entitlement **less any amount** that is being recouped for a prior overpayment as unearned income. This includes any benefits paid to a representative payee and used for the needs of the SSI individual.

Exclude from SSI income any amount deposited in or used for a PASS plan and any legally obligated monthly fees collected by representative payees.

Note: (SSA) benefits such as SSI and RSDI benefits are **not means-tested and not subject to the means-tested income penalty outlined in manual section B-600.**

Note: Retroactive lump sum installment payments are excluded as income

757 SELF-EMPLOYMENT

An individual is self-employed if engaged in an enterprise for gain, either as an independent contractor, franchise holder, or owner-operator. This includes individuals working on a commission basis; e.g., Avon, Tupperware or newspaper delivery and/or individuals who collect cans and bottles or is a professional gambler. The self-employed individual's income and expenses must be verified.

If the individual has either income taxes or FICA withheld from his earnings, he is an employee and not self-employed. This does not apply to self-employed individuals who are the sole proprietor of a business, even if the individual draws income from the business as wages. Budgetable self-employed income must be based on the full income and expenses of the business.

757.1**757.2****757.1 Determine Gross Self-Employment Income**

Calculate the total gross self-employment income for either:

- The past 12 months, or
- The period of time the individual has been self-employed if it is less than 12 months.

Be sure to include the full amount of any capital gains, which are profits from the sale or transfer of capital assets (e.g., inventory, raw materials, equipment, or business ownership interests). When estimating income, include any capital gains the household expects to receive during the certification period or before the next eligibility review. Use the anticipated amount unless the individual reports an unanticipated gain or a revised amount.

757.2 Determine Net Self-Employment Income

Subtract allowable business expenses from the gross income to calculate net income. Allowable costs may include, but are not limited to:

- Labor
- Sales tax
- Stock/inventory
- Raw materials, seed, fertilizer
- Advertising
- Insurance premiums
- Utilities
- Repairs to income-producing property
- Supplies
- Fuel (with proper documentation)
- Linen service
- Property tax and interest on income-producing property

Note: Fuel costs are only allowed if supported by documentation such as a mileage log, showing beginning and ending mileage and destination. Use the current state mileage rate to calculate fuel expenses. (Refer to the State Administrative Manual.)

Documentation acceptable to the IRS is also acceptable to the Division.

Subtract payments on the principle of the purchase price of income-producing real estate and capital assets, equipment, machinery and other durable goods.

Do not deduct

- Capital asset improvements;
- Net loss which occurred in a previous period;
- Work-related expenses, such as federal, state and local income taxes, retirement contributions, and travel to and from the place of business;
- Depreciation;

- Costs that are not related to the self-employment, e.g. entertainment, personal transportation costs; or
- Any amount that exceeds the payment a household receives from a boarder for lodging and meals.

Do not subtract payments on the principle of the purchase price of income-producing real estate and capital assets, equipment, machinery and other durable goods.

Note: If the individual conducts a self-employment business in his home, consider the cost of the home (rent, mortgage, utilities) as shelter costs, not business expenses, unless these costs can be identified separately as necessary for the business.

757.3 Self-Employment Net Financial Loss

Do **not** deduct a self-employment net financial loss from other household income.

Exception: Deduct the loss if

- It results from a self-employment farming operation, and
 - The household received or anticipates receiving annual gross income of \$1,000 or more from the farming operation. If the cost of producing self-employment farming income exceeds the income amount, the loss shall be offset against any other countable income of the household.
- Note:** the computer applies the loss to the benefit calculation when the self-employment code is used in the AMPS Income BAP, once the farm loss is computed manually.

757.4 Income from Property

Consider income from property (non-liquid resources such as equipment, vehicles, real property), whether from renting, leasing, or selling on an installment plan, as budgetable income.

If the household member sells property on an installment plan, count the payments as income. Exempt the balance of the note as an inaccessible resource.

757.4.1 Determining if Income from Property Is Earned or Unearned

Count this income as earned or unearned depending on the amount of work involved in producing the income. Consider the income earned if the person spends an average of at least 20 hours per week in management or maintenance activities. Otherwise, count it as unearned. Count the standard deduction for earned income.

For unearned income, deduct only the expenses associated with producing the income, such as interest on mortgage, property taxes, maintenance/repair costs, structure insurance, advertising and utilities when paid by the landlord.

Exception: Count income from noncommercial boarding situations as earned income.

757.5 Income from Non-assisted Household Members

Determine whether a contribution from a household member not applying for or receiving benefits with other household members is countable using this policy, unless the person's income is specifically exempt by another policy.

If an individual not receiving benefits with other household members or in a separate assistance unit makes payments to the household because of a landlord/tenant relationship, determine countable income according to the roommate/boarder policy.

Example: Sally is purchasing her home and is paying \$1200 a month for the mortgage. Sally's friend, who is not part of the assistance unit, pays her \$600 a month towards the mortgage to reside in her home. This is considered a landlord/tenant relationship as Sally receives the benefit of the \$600 paid by her friend towards equity in her home. The \$600 payment would be evaluated as roomer/boarder income.

If the same individual lives in the home of a household receiving benefits and shares household expenses (not a landlord/tenant relationship), exempt any payment made for common household expenses (including shelter, utilities, and items for home maintenance). Any additional payments for use by an eligible household member are a contribution.

Example: John and a friend are renting an apartment for a total of \$800 per month and share the utility costs. The friend gives \$400 and half the utility costs to John monthly. John then adds his own \$400 and forwards the money to the property manager. John also adds additional funds and pays the utility companies. This is considered a shared expense situation as a third party, the property manager or owner and the utility companies, receive the benefit of the payment, not John.

Note: Households sharing shelter costs are both entitled to a shelter deduction for their share of the expense.

757.5.1 Noncommercial Roomer/Boarder Payments

Income from boarders includes all payments for room, meals, and other shelter expenses. Income from roomers includes payments only for room and other shelter expenses.

If the household receives roomer or boarder payments from the non-assisted household member, exclude the portion of each monthly payment that is a cost of doing business. This does not include money received from persons who are sharing shelter expenses. The customer must indicate money received is income from renting a room and/or boarding, self-employment income or claim expenses as "cost of doing business" to offset income.

Do not give roomer/boarder status to

- Anyone whose income can be applied to the household unit, or
- A dependent child

Policy in manual sections A-300 and B-400 restricts who can receive roomer or boarder status.

The cost of doing business is defined as

Amount equal to, or less if verified, the 100% standard of the need for the size of the boarder household.

- For roomers- actual costs.
- For boarders –
 - The amount of the monthly SNAP allotment for the number of boarders (average of more than two meals a day), or
 - Two-thirds of a full allotment for the number of boarders (average two meals a day, or less) or,
 - The actual cost of providing room and meals if the actual costs exceed the monthly SNAP allotment for the number of boarders.

Note: Identify and verify each expense when using actual costs.

757.6 Verification of Self-Employment Income

All self-employment income and expenses must be verified. It is the customer's responsibility to provide proof of all income and expenses claimed. Use one of the following documents to determine income received and expenses paid.

- Most recent year's income tax return listing the current self-employment business; or
- Business records/ledgers listing specific income received (from whom, purpose and date) and expenses paid (to whom, purpose, and date.) Proof of all entries must be provided; or
- Form 2011-EG, Self-Employment Worksheet, completed and signed by the individual. Proof of all income received, and expenses paid must be attached to the worksheet. If the individual provides a service (i.e. laborer, manicurists, beauticians, handyman) to other people in the income verification must include a listing of the clientele including name, telephone number, date of service and value of service. If the individual works on a commission basis (i.e. Tupperware, Avon, Mary Kay) the individual should submit a copy of the invoices provided by these companies showing cost of product and profit to the seller. If all other avenues of verification have been exhausted, a written statement may be accepted from the customer regarding income received.

Note: When calculating monthly self-employment income either from business records/ledgers or Form 2011-EG, the net monthly self-employment income must be calculated using actual income received and expenses actually paid in that month. An expense claimed for the cost of inventory is only allowed in the month the inventory was actually purchased not in the month the inventory was used or sold.

757.7 Documentation Requirements

Document

- the method used to calculate budgetable self-employment income,
- deductions for the costs of doing business,
- the number of hours engaged in the enterprise, and
- other factors used to determine the amount of income.

758 STRIKERS

A striker is anyone who participates with one or more other employees in a work slow- down or stoppage. This includes a stoppage resulting from the expiration of a collective bargaining agreement. Individuals affected by a lock-out are not strikers. If circumstances deteriorate during the strike to the extent the individual loses his job (e.g., the company is forced out of business, permanent replacements are hired by the company, etc.), the individual will not be considered a striker.

758.1 Eligibility of Strikers

The entire assistance unit is ineligible for TANF for any month in which the caretaker is participating in a strike on the last day of the month.

When a member of the assistance unit other than the natural/adoptive parent is participating in a strike on the last day of a month, that person is ineligible for assistance for that month and their needs are excluded from the benefit grant. An overpayment is calculated when applicable.

Note: When an individual begins striking, assume they will be on strike on the last day of the month, and terminate or reduce benefits. If it is determined they will not be on strike the last day of the month, benefits continue.

A household with a striker is ineligible for SNAP **unless** the household

- was eligible the day prior to the strike and
- is still eligible.

Pre-Strike Eligibility

Use the income of all household members (including the striker) as of the day before the strike. If the household is ineligible, deny/terminate the household.

If the household was eligible before the strike, compute current eligibility. **Note:** Eligible striker households will not receive an increased allotment as a result of a decrease in the household's income due to the strike.

Current Eligibility

1. Calculate the striker's income for 30 days prior to the day the strike began.
2. Compare the striker's income in 1) above to the striker's current income (including union benefits and part-time jobs). Determine the higher of two incomes.
3. Add the higher of the two incomes (pre-strike and current) to the remaining household member's current income.

If the household is not currently eligible, deny/terminate the household benefits.

If the household is eligible based on both current and pre-strike income, the household is eligible if it meets all other criteria. Consider other eligibility criteria the same as income. The household must be eligible both currently and before the strike.

Exception: Individuals exempt from work registration for reasons other than employment are not considered strikers.

759 TEMPORARY OR ONGOING ASSISTNACE FROM OTHER AGENCIES/ORGANIZATIONS

Temporary or ongoing assistance from other agencies/organizations, such as General Assistance (GA), Indian General Assistance (IGA), Interim Assistance (IA) for pending SSI recipients, is budgeted as unearned income unless excluded by another policy.

Assistance from other agencies and organizations, except out-of-state TANF, which equals the difference between the payment allowance and the 100% need standard amount is excluded as income. The portion of the payment that **exceeds the difference between the payment level and the need standard is budgeted as unearned income** when the assistance is for:

- items not included in the need standard, OR
- the assistance supplements the need standard.

Budget the entire payment as unearned income unless it must be repaid to the issuing agency (e.g., county requires a recipient to sign a contractual agreement to repay (IA) once approved for SSI and/or RSDI or program benefits).

760 ADDITIONAL TYPES OF INCOME – PART IV**761 THIRD-PARTY BENEFICIARY**

Do not count money a household receives that is intended and used for maintenance of a non-assistance unit/household member.

If a single payment is received for more than one beneficiary, exclude the amount actually used for the nonmember up to the nonmember's

- identifiable portion, or
- prorated portion (if the portion is not identifiable).

Count as unearned income any money the beneficiary retains and does not use for the maintenance of a nonmember.

762 TRUST FUNDS

Count as unearned income, withdrawals or dividends the household can receive from a trust fund that is exempt as a resource. **Note:** ALL trusts, including living trusts, are submitted to the Chief of Eligibility & Payments for review and a determination of availability/accessibility excluding the trust situations noted in manual section A-500, Trust Referrals; however, if the person is currently receiving income from the trust, it is countable (this includes income from a Supported Living Arrangement trust fund).

763 UNEMPLOYMENT INSURANCE BENEFITS

Count as unearned income the gross benefit less any amount being recouped for a previous UIB overpayment. **Note:** Child support judgments against UIB payments are not considered an overpayment recoupment.

Exception: If the overpayment was incurred due to fraud, the amount being recouped is not deducted from the gross payment.

In some circumstances, individuals have earnings which do not exceed the payment amount of their weekly UIB benefit. The gross UIB benefit is reduced by 75% of the amount of the earnings as reported by the individual to DETR.

Example: The individual is entitled to \$200 per week gross UIB benefits and reports \$100 in weekly earnings to DETR. When determining the UIB payment, 75% of the \$100 or \$75 will be budgeted against the benefit of \$200, reducing the gross payment to \$125.

$\$100 \times 75\% = \75 , $\$200 - \$75 = \$125$.

764 **VENDOR PAYMENTS**

Do not count payments a person or organization outside the household makes directly to the household's creditor or person providing the service.

Exception: Count as income money legally obligated to the household, but which the payer makes or diverts to a third party for a household expense. This includes obligated court-ordered child support payments that are diverted to a third party for expenses, such as shelter.

764.1 **Vendor Payments from State and Local Government Funds****Exempt:**

- vendor payments to a household with a migrant farm worker in the work stream that are paid with state or local government funds.
- Third party vendor payments made by a person or organization, other than PA (Public Assistance) or GA (General Assistance), on behalf of a household using funds that are not legally owed to the household. This includes SLA vendor payments

NOTE: When a shelter expense, such as rent, is vendor paid by GA or PA, count the income as unearned income and continue to allow the shelter expense when determining benefits.

Count the vendor payments to other people that are paid with state or local government funds, unless the payment provides assistance for:

- Medical expenses
- Child care
- Expenses related to natural disasters (example: fire or floods)
- Energy or utility expenses

Note: Vendor payments paid with federal funds (**example:** federal funded housing assistance) are exempt.

765 VETERANS BENEFITS

Count as unearned income the gross benefit less any amount being recouped for a previous overpayment,

Exception: Exempt the portion of VA educational benefits used for items such as tuition, books, fees, equipment, child care necessary for school attendance, etc.

766 MISCELLANEOUS INCOME**1. Blood Donations**

Exempt

2. Jury Duty Payments

Exempt

3. Gambling Winnings

Exempt

Note: The receipt of a substantial jackpot must be evaluated as a resource and if the winnings are placed in an interest-bearing account the monthly interest becomes countable unearned income.

Exception: Gambling winnings are countable to the household if they claim to be a professional gambler. Evaluate these winnings as self-employment income.

4. Panhandling

Exempt.