

114 – INCOME AND BUDGETING
Change # 07-2008
September 1, 2008

Along with meeting the eligibility criteria, a *Work First Family* must also be financially eligible to receive assistance. While some income is counted, other income is not. Furthermore, income may be counted differently depending on who receives the income.

To encourage work and make work pay, family members who work are allowed special work-related deductions. The family may continue to receive *Work First Family Assistance* for a period of time.

This section provides the information needed to determine if a family is financially eligible and, if so, how to determine the amount of the family's *Work First Family Assistance* payment.

This section uses the following terms:

Net Unearned Income: Amount of benefits **actually received** by a budget unit member

Exception: If benefits are being reduced to repay a federal or state tax or other debt or to pay child support obligations, count the benefit amount prior to these deductions. Do not allow deductions for tax or child support payments withheld.

- ◆ **Gross Earned Income:** Amount of earnings received through wages or self-employment *before* taxes, social security, and other deductions are made by the employer.
- ◆ **Net Earned Income:** Income from earnings received through wages or self-employment *minus* any *Work First Family Assistance* work-related expenses.

I. WHOSE INCOME IS COUNTED

Count all income available to a family with certain exceptions, which are shown in the charts in III.below. **Remember, a SSI recipient cannot receive *Work First Family Assistance*. Therefore, none of his income is ever counted in determining the *Work First Family Assistance* payment, regardless of his relationship to the family**

Count the income of the following people if they live in the home.

Individual	Included	Excluded: Does not meet Citizenship/Alienage	Excluded: Any Other reason
Parents (including Stepparents, Emancipated minor parents)	Count the net earned and net unearned income (gross entered on automated budget, with appropriate deductions).	Count the earned and unearned income as if he were included in the case. <u>If the individual receives SSI, do not count any of the income.</u>	Count the parent's net earned and net unearned income as if he were included in the case. If the parent receives SSI, do not count any of the parent's income.
Children, including minor parents (not Emancipated) and children subject to the family cap	Count the child's net unearned income. Do not count a child's earnings.	Do not count any of the child's income.	If excluded for failure to apply for a social security number , count the child's net unearned income. If excluded for any other , do not count the child's income.
Spouse of a family unit child	Count the spouse's net earned and net unearned income.	Do not count the spouse's income.	Do not count the spouse's income
Adult caretaker other than a parent or stepparent (or spouse of adult caretaker)	Will not be included.	Do not count any of their income.	Do not count any of their income.

NOTE: When there are two separate family units in the same household and there are individuals in either family unit who are financially responsible for someone in the other family unit, do not count income from one family unit to the other.

II. APPLYING FOR OTHER BENEFITS.

Based on a family's situation or information gathered from the on-line matches, the caseworker might find that a family is potentially eligible for other benefits or income sources. WFFA applicants and recipients must apply for all assistance for which they may be eligible.

- A.** A family unit member is *required* to apply for **Unemployment Insurance Benefits (UIB)** when the On-line ESC Inquiry reveals that he is "Monetarily Eligible," and there is no "Last File" date, or the "Last File" date is earlier than 12 months prior to the date of application for *Work First Family Assistance*. A family unit member who is employed and earning 20% or less of the amount of benefit for which he is monetarily eligible must apply for UIB within 10 days of filing an application. (For example, if a person is receiving \$100 per week in UIB, they can earn up to \$20 and still receive the UIB.)

EXCEPTIONS: A family member is not required to apply for UIB if he is:

- ◆ Employed full-time as defined by the employer;
 - ◆ Registered for and attending school or on vacation during or between successive quarters;
 - ◆ Receiving or applying for benefits under any state or federal law based on temporary or permanent total disability;
 - ◆ Receiving a government or other pension, retirement, annuity, or other similar periodic payment that is more than the potential monthly Unemployment Insurance Benefit payment; **or**
 - ◆ Placed on disciplinary suspension by his employer. (If the family member is on a single disciplinary suspension that lasts more than 10 consecutive calendar days, he is considered dismissed from the employment and must apply for UIB.)
 - ◆ Unavailable for work due to a medical condition, including childbirth, as verified by a physician's statement, or a medical condition that is obvious to the worker.
- B.** If a family unit member is potentially eligible for **other benefits**, such as **Social Security Benefits, Veterans Benefits, or Supplemental Security Income**, he is required to apply for these benefits.

C. Procedures for Applications

When the caseworker determines a family member is required to apply for UIB or other benefits, take the following actions.

1. Use the DSS-8146A to notify the family member he is required to apply for UIB or other benefits. Give him at least 12 days to apply for the benefits.
2. Inform the family that if the parent or a family member has a disability that makes it difficult to apply for UIB or other benefits, the agency will assist the individual in applying for those benefits as a reasonable accommodation.
3. Verify the family member's application for unemployment benefits by completing an ESC/UIB On-line Inquiry. Verify application for other benefits by contacting the source. If unable to obtain verification, accept the family's statement.
4. If the family member has not applied for UIB or other benefits by the deadline set, determine the reason for the failure to do so. If the parent or a family member has been unable to complete the application for reasons related to a disability (such as having a disability that makes it difficult for the individual to travel to the other agency to complete an application, or caring for a family member with a disability, or having a cognitive or learning disability that makes it difficult to read and complete the application, give the parent additional time to complete the application and provide assistance in doing so as a reasonable accommodation.) If the family member has not applied for UIB or other benefits by the deadline set and the caseworker has ruled out

the possibility that there is a disability-related reason for the failure, deny the application. Always evaluate the family for Medicaid eligibility.

5. If the family member has applied for UIB or other benefits but has not received any benefits yet, process the application. Do not count the income. Flag the case to review for receipt of benefits.
6. If the family member has applied for and has already begun receiving benefits, process the application. Follow the procedures in V. below to calculate the amount of benefits to count.

D. Procedures for Ongoing Cases

When the caseworker determines a family member is required to apply for UIB or other benefits, take the following steps.

1. Notify the family member that he is required to apply for UIB or other benefits. Give him at least 12 days to apply.
2. Verify the family member's application for UIB by completing an ESC/UIB On-line Inquiry. Verify application for other benefits by contacting the source. If unable to obtain verification, accept the family's statement.
3. If the family member fails to apply for UIB or other benefits by the deadline set, send an automated timely notice to terminate assistance.
4. If the family member applies for UIB or other benefits by the deadline set, but has not begun receiving benefits, flag the case to review for receipt of benefits. Do not count as income any benefits unless the family member actually receives the benefits.
5. If the family member applies for and begins receiving benefits by the deadline set, follow procedures in V. below to determine the amount.

III. WHAT INCOME IS COUNTED

All income available to the family is counted in determining their eligibility for *Work First Family Assistance*, unless otherwise noted. However, income is counted in various ways. The first chart lists possible sources of income, whether they are counted, if they are counted, how they are counted, and possible sources of verification.

The second chart lists possible sources of educational assistance and whether the income is counted. Refer to XV below for additional information on educational assistance that is countable.

Since it is not possible to list all types of income in these charts, the caseworker may encounter income that is not listed here. If so, use prudent judgement and document the decision on how to count the income. The sources of verification listed are possible sources. There may be other acceptable means to verify the income, including the family's statement in some instances. The type of income must be verified to determine if it is countable.

Source Of Income	Counted?	Income Type	Verifications
Active Corps Executives (ACE)	No		
Adoption Assistance	No		
Adult Developmental Activities Program (ADAP) Payments	No		
Agent Orange Payments	No		
Alaska Native Claims Settlement Act Payments	No		
Alien's sponsor's income	No		
Alimony/spousal support	Yes	Unearned	1. 230-EOM Report 2. Contribution Form (DSS-8176) 3. Contact the Clerk Of Court 4. Contact the spouse
AmeriCorps stipend (living allowance)	No		
AmeriCorps child care assistance	No		
Annuities	Yes	Unearned	1. Current check or stub 2. Contact the source
Baby-sitting	Yes	Earned	If self-employed, see Self-employment verification If wages, see Wages verification
Basic Allowance For Quarters (BAQ [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form, (DSS-8113)

Source Of Income	Counted?	Income Type	Verifications
Basic Allowance For Subsistence (BAS [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form, (DSS-8113)
Bingo winnings	Yes	Unearned	1. Copy of check 2. Copy of award letter 3. Tax forms 4. Contact the source
Black Lung Benefits	Yes	Unearned	1. Current check 2. Award letter 3. Contact the Social Security District Office 4. Contact the U.S. Dept. Of Labor, Black Lung District Office

Source Of Income	Counted?	Income Type	Verifications
Boarders	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Bonus pay (regularly or paid once a year)	Yes	Earned	1. Wage check or stub 2. Wage Verification Form DSS-8113 3. Contact the employer
Brown Lung Benefits	Yes	Unearned	1. Current check 2. Current award letter 3. Contact the Industrial Commission
Campaign contributions	No		
Capital gains from business	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Career Sea Pay (military)	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
<u>Census Worker (Permanent)</u>	<u>Yes</u>	<u>Earned</u>	<u>1. Wage stub or check</u> <u>2. Wage Verification Form</u> <u>3. Contact the employer</u>
<u>Census Worker (Temporary)</u>	<u>No</u>		
Child support (all types) (For additional information on how to count child support, see XIII. below.)	Yes	Unearned	1. Contribution Form (DSS-8176) 2. Contact the Clerk Of Court 3. Contact the absent parent 4. ACTS Inquiry
Clothing Maintenance Allowance (CMA [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
College Work Study Program administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs	No		
College Work Study Program not administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs	Yes	<u>Earned</u> (Deduct expenses. See <u>XV.</u> below.)	1. Award letter 2. Contact the educational institution
Commissions	Yes	Earned	If self-employed, see Self-employment verification If wages, see Wages verification
Community Development Block Grant (CDBG) Funds	No		

Source Of Income	Counted?	Income Type	Verifications
Contributions (For additional information on how to count contributions, see XIII.)	Yes	Unearned	1. Contribution Form (DSS-8176) from contributor 2. Contact the contributor
Cosmetology	Yes	Earned	If self-employed, see Self-employment verification If wages, see Wages verification
Court ordered restitution	Yes	Unearned	1. Current check or stub 2. Contact the Clerk Of Court 3. Legal documents 4. Contact attorney
CP&L (Project Share) Payments	No		
Crisis Intervention Program (CIP) Payments	No		
Disability payments that are provided through a private insurer and the individual is no longer employed	Yes	Unearned	1. Award letter 2. Check 3. Contact the insurance company
Disability payments that are totally employer funded and the individual remains employed	Yes	Earned	1. Wage stubs 2. Wage Verification Form (DSS-8113) 3. Contact the employer
Disaster Assistance	No		
Dividends	Yes	Unearned	1. Current dividend check 2. Dividend statement 3. Contact the stockbroker or brokerage firm 4. Contact the company paying the dividends
<u>Earned Income Tax Credit (federal and/or state)</u>	<u>No</u>		
Educational assistance (All Types) (See the chart on types of educational <u>assistance that begins immediately after this chart.</u>)	Depends On the Source	If counted, Unearned	1. Award letter 2. Campus based budget form 3. Student Income Verification Form 4. Contact the school 5. Contact the provider 6. Bills/receipts
Energy Assistance	No		
Experimental Housing Allowance Program (EHAP) Payments	No		
Family Subsistence Supplemental Allowance (FSSA [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
Farm income (If self-employment, see VIII. Below for additional information on how to count self-employment income.)	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources

Source Of Income	Counted?	Income Type	Verifications
Federal Emergency Management Act (FEMA) Payments	No		
Federal Employees Compensation Act (FECA) Benefits	Yes	Unearned	1. Copy of check or stub 2. Award letter 3. Tax forms
Food and clothing contributions	No		
Food assistance	No		
Food Stamps	No		
Foster Care	No		
Foster Care supplements over the State maximum payment	No		
Foster-Grandparents	No		
Gambling	Yes	Unearned	1. Copy of check 2. Copy of award letter 3. Tax forms 4. Contact the source
Gaming Proceeds, per capita proceeds to members of the Eastern Band of the Cherokee Nation semi-annually, usually in June and December (prorate over the six-month period between payments)	Yes (Pay-ments to minors go into a trust and are not counted.)	Unearned	1. Obtain a copy of the check. 2. Obtain a copy of the award letter. 3. Contact the source at: Eastern Band of Cherokee Indians P. O. Box 455 Cherokee, NC 28719 (704) 497-3705
General Assistance (GA) Payments	No		
Gifts (monetary) that are for specific verifiable special occasions.	No		
Houlton Band Of Macisett Indian Payments	No		
Housing and Urban Development (HUD) Payments	No		
Housing Improvement Grants	No		
In-kind income or contributions	No		
Income Tax Refund (Federal and State)	No		

Source Of Income	Counted?	Income Type	Verifications
Independent Living Initiatives Of Title IV-E Of the Social Security Act (payments or services provided)	No		
Indian Tribe Payments under P. L. 97.458 & 98.64	No		

Source Of Income	Counted?	Income Type	Verifications
Inheritance	Yes	Unearned	1. Copy of the will 2. Contact the executor or administrator of the estate 3. Contact the Clerk Of Court 4. Contact the probate lawyer
Insurance settlements (except for lump sums)	Yes	Unearned	1. Settlement check 2. Contact the lawyer who handled the settlement 3. Contact the insurance company
Interest income (if paid to the family)	Yes	Unearned	1. Current account statement 2. Request For Financial Information Form (DSS-3431)
<u>Job Corps (See WIA)</u>	No		
Job Training Partnership Act (JTPA) See Workforce Investment Act, below.			
Jump Pay (Military)	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
Jury Duty payments	Yes	Earned	1. Check or stub 2. Contact the Clerk Of Court
Leave Rations (military)	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
Loans (if repayment plan shows when the loan will be repaid)	No		
Longevity pay	Yes	Earned	1. Check or stub 2. Contact the employer

Source Of Income	Counted?	Income Type	Verifications
Lottery winnings – if paid other than as a lump sum	Yes	Unearned	1. Check 2. Award letter 3. Tax forms 4. Contact the source
Low-Income Energy Assistance Program (LIEAP) Payments	No		
Lump-sum payments (For additional information on how to count lump-sum payments, see <u>XVII.</u> below.)	Yes, for Apps., count in month of receipt	Unearned	1. Check 2. Letter from provider 3. Signed statements 4. Bill of sale

Source Of Income	Counted?	Income Type	Verifications
Migrant income	Yes	Earned	<ol style="list-style-type: none"> 1. Check stub or DSS-8113 2. Contact the Employment Service; Farm Labor Bureau; Rural Manpower Development; Farmer's Cooperative Service; Grower's Association; Migrant Service Organizations; county agent; or the individual growers and crew chiefs. 3. Use records that show: each day's income and hours worked, and signature of the grower or crew chief.
Military Allotments	Yes	Unearned	<ol style="list-style-type: none"> 1. Current check or stub 2. Award letter 3. Contact commanding officers of military payment information centers (Attach a letter authorizing the release of the information.)
Military Allotments received as child support (For additional information on how to count military allotments received as child support, see <u>XII</u> . below.)	Yes	Unearned	<ol style="list-style-type: none"> 1. Current check or stub 2. Award letter 3. Contact commanding officers of military payment information centers (Attach a letter authorizing the release of the information.)

Source Of Income	Counted?	Income Type	Verifications
Military pay	Yes	Earned	<ol style="list-style-type: none"> 1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
Monthly disbursements from a trust fund	Yes	Unearned	<ol style="list-style-type: none"> 1. Contact the administrator/executor of the fund 2. Contact the lawyer
National School Lunch Act	No		
Notary Public fees received	Yes	Earned	<ol style="list-style-type: none"> 1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Nutrition Program For the Elderly, Of the Older Americans Act Of 1965	No		
On-the-Job-Training (OJT) Payments	Yes	Earned	<ol style="list-style-type: none"> 1. Wage stub or check 2. Contact the source

Source Of Income	Counted?	Income Type	Verifications
Paid Work Experience (Generally through Welfare-to-Work)	Yes	Earned	1. Wage stub or check 2. Contact the source
Passamaquoddy Indian Tribe Payments	No		
Pay advances	Yes	Earned	1. Wage stub or check 2. Wage Verification Form (DSS-8113) 3. Contact the employer
Pell Grants	No		1. Award letter 2. Contact educational institution
Penobscot Nation Indian Payments	No		
Pensions	Yes	Unearned	1. Pension check or stub 2. Award letter 3. Contact the organization providing the benefits 4. Tax records

Source Of Income	Counted?	Income Type	Verifications
Private unemployment benefits	Yes	Unearned	1. Check or stub 2. Award letter 3. Contact the company paying the benefits
Public Service Employment (PSE)	Yes	Earned	1. Wage stubs 2. Wage Verification Form (DSS-8113) 3. Contact the employer
Radiation Exposure Compensation Act Payments	No		
Railroad Retirement	Yes	Unearned	1. Railroad Retirement check 2. Award letter 3. Contact a representative of the Railroad Retirement Board (See listing in RMDS.)
Reimbursements (for out-of-pocket expenses other than normal living expenses such as rent, mortgage, personal clothing, or food eaten at home.)	No		
Relocation payments	No		
Rental income (<u>treat as self-employment income, see XIV. below</u>)	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources

Source Of Income	Counted?	Income Type	Verifications
Representative payment (payment received by one individual on behalf of another individual) – Income is available for the family.	Yes	See specific income type	See specific type of income for verifications
Representative payment (payment received by one individual on behalf of another individual) – Income is not available for the family.	No		
Restitution under the Civil Liberties Act Of 1988	No		

Source Of Income	Counted?	Income Type	Verifications
Retirement benefits	Yes	Unearned	1. Retirement check 2. Award letter 3. Contact the company or business paying the benefits
Retired Senior Volunteer Program (RSVP)	No		
Reverse mortgages	No		
Roomers	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Sale of blood or plasma (Considered self-employment)	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Scholarships (For additional information on how to count scholarships, see XV. below.)	Yes	Unearned	1. Award letter 2. Contact the source
Sea Duty Pay (military)	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Completed Wage Verification Form (DSS-8113)
Seasonal employment	Yes	Earned	If self-employed, see Self-employment verification If wages, see Wages verification
Section 8 (HUD)	No		

Source Of Income	Counted?	Income Type	Verifications
Self-employment (For additional information on counting self-employment, see XIV . below.)	Yes	Earned	<ol style="list-style-type: none"> 1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources

Source Of Income	Counted?	Income Type	Verifications
Selling recyclables	Yes	Earned	<ol style="list-style-type: none"> 1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Senior Companions Payment Program (Title II)	No		
<u>Senior Community Service Employment Program (SCSEP), Title V</u>	NO		
Separate Rations (military)	Yes	Earned	<ol style="list-style-type: none"> 1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Completed Wage Verification Form (DSS-8113)
Service Corps Of Retired Executives (SCORE) Payments	No		
Severance pay	Yes	Unearned	<ol style="list-style-type: none"> 1. Wage stub or check 2. Wage Verification Form (DSS-8113) 3. Contact the employer
Shared expenses	No		
Shelter, utilities, and household furnishings made available at no cost	No		
Sick pay	Yes	Earned	<ol style="list-style-type: none"> 1. Wage stub or check 2. Wage Verification Form (DSS-8113) 3. Contact the employer

Source Of Income	Counted?	Income Type	Verifications
Social Security Benefits - Count the net social security benefit amount that appears on the BENDEX record. NOTE: When the payment is being reduced due to federal offset to repay a federal debt, offset information will not appear on BENDEX, but may appear on an individual's award letter. Use the BENDEX record as verification of the correct net benefit amount. (If a Medicare premium is being deducted, add the premium amount to the net benefit amount. Count this total as unearned income.)	Yes	Unearned	<ol style="list-style-type: none"> 1. BENDEX Inquiry 2. Third Party Query (TPQY) 3. BENDEX Data Exchange Report 4. Current Social Security check 5. Current award letter
Spousal support	Yes	Unearned	<ol style="list-style-type: none"> 1. 230-EOM Report 2. Contribution Form (DSS-8176) 3. Contact the Clerk Of Court 4. Contact the spouse
Sponsor income	No		
<u>State Earned Income Tax Credit (SEITC)</u>	No		
SSI (Supplemental Security Income)	No		
Stipends for students	Yes	Unearned	<ol style="list-style-type: none"> 1. Check or stub 2. Award letter 3. Contact the educational institution
Surplus Commodities	No		
Tax intercept payments (support) (For more information on child support, see <u>XII.</u> below.)	Yes	Unearned	<ol style="list-style-type: none"> 1. ACTS Inquiry 2. Contribution Form (DSS-8176) 3. Contact the Clerk Of Court 4. Contact the spouse
Telamon Payments	Yes	Earned	<ol style="list-style-type: none"> 1. Check or stub 2. Contact the Telamon Office 3. Wage Verification Form (DSS-8113)
Tips	Yes	Earned	<ol style="list-style-type: none"> 1. Wage stubs 2. Wage Verification Form (DSS-8113) 3. <i>Work First Family Assistance</i> Report 4. Contact the employer 5. Client's records

Source Of Income	Counted?	Income Type	Verifications
Trade Readjustment Benefits	Yes	Unearned	1. Current check 2. Current award letter 3. Contact the local Employment Security Commission (ESC) Office
Travel reimbursement paid from an employer to an employee for travel expenses while working for the employer	No		
Unemployment Insurance Benefits (UIB)	Yes	Unearned	1. ESC/UIB Inquiry 2. Current UIB check 3. Current award letter
Uniform Relocation Assistance and Real Property Acquisition Act Of 1970	No		
Vacation pay	Yes	Earned	1. Wage check or stub 2. Completed Wage Verification Form (DSS-8113) 3. Contact the employer
Variable Housing Allowance (VHA) [military]	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form (DSS-8113)
Vendor payments	No		
Veteran's Administration Educational Assistance Program/ G.I. Bill (only what is used for educational purposes)	No		
Veterans Administration (VA) Benefits	Yes	Unearned	1. Contact the VA Regional Office Claims Division at 1-800-827-1000 2. Current VA benefit check 3. Current award letter 4. Contact the local VA service office
Vocational Rehabilitation (VR) Incentive Payments (as long as a training program is in effect.	No		
Volunteers In Service To America (VISTA)	No		
Wages	Yes	Earned	1. Wage stubs 2. Wage Verification Form (DSS-8113) 3. <i>Work First Family Assistance</i> Report 4. Contact the employer
Witness pay	Yes	Unearned	1. Check or stub 2. Contact the Clerk Of Court
Workforce Investment Act (Formerly, JTPA) paid to an <i>adult</i>	Yes	Earned	1. Check, or stub, or (DSS 8113) 2. Contact WIA
Workforce Investment Act (<u>WIA</u>) (Formerly, JTPA) paid to a <i>child</i> ,	No		

Source Of Income	Counted?	Income Type	Verifications
<i>Work First</i> Employment Services payments made to someone other than the participant but made on the participant's behalf (Example, <u>childcare</u> payments made to the participant's sister who is also receiving <i>Work First Family Assistance</i> – Count the childcare as income for the sister.)	Yes	Earned	If self-employed, see Self-employment verification If wages, see Wages verification
Work Release (For additional information on how to count Work Release, see <u>XVI.</u> below.)	Yes	Unearned	1. Check or stub 2. DC-190 from the Dept. of Correction 3. Work Release Check List 4. Contact the Dept. of Correction
Worker's Compensation provided through a private insurer or the individual is no longer employed	Yes	Unearned	1. Award letter 2. Current check 3. Contact the provider or insurance company
Worker's Compensation that is totally employer funded and the individual remains employed	Yes	Earned	1. Check or wage stub 2. Award letter 3. Contact the company where the person is employed or its insurance company 4. Contact the lawyer

Following is a list of potential sources of educational assistance and whether they are counted in *Work First Family Assistance*. Possible sources of verifications for the educational assistance listed below include award letters, contacts with the agency that administers the assistance, and contacts with the educational institution. See XVI. below for additional information regarding countable educational assistance.

Source Of Income	Counted?
Basic Educational Opportunity Grants (BEOG and PELL Grants)	No
Bilingual Materials, Methods, and Techniques Program	No
Bilingual Vocational Instructor Training Program	No
Bilingual Vocational Training Program	No
Blue Ribbon Vocational Education Program	No
Business and Education Standards Program	No
Carl D. Perkins Vocational and Applied Technology Education Act	No
College Assistance Migrant Program (CAMP) for students whose families are engaged in migrant and seasonal farm work	No
Community Education Employment Centers Program	No
Cooperative Demonstration Programs	No

Demonstration Centers for the Training of Dislocated Workers Program	No
Demonstration Projects for the Integration of Vocational and Academic Learning Program	No
Education Lottery Scholarship (ELS) (Grant)	No
Educational Programs for Federal Correctional Institutions	No
Federal Family Education Loan Program (formerly GSL)	No
Grants Administered by the Bureau Of Indian Affairs	No
High School Equivalency Program (HEP)	No
Income Contingent Loan (Eff. 7/1/87) (Title IV)	No
Indian Vocational Education Program	No
Internships For Gifted and Talented Vocational Education Students Program	No
Materials Development In Telecommunications Program	No
Model Programs Of Regional Training For Skilled Trades (Carl Perkins)	No
National Center or Centers For Research In Vocational Education	No
National Early Intervention Scholarship and Partnership Program	No
National Network For Curriculum Coordination In Vocational and Technical Education	No
National Tech-Prep Education Program	No
Native Hawaiian Vocational Education Program	No
PELL Grants	No
PLUS Loans For Parents	No
Presidential Access Scholarships (Super PELL Grants)	No
Source Of Income	Counted
Robert E. McNair Post-Baccalaureate Achievement	No
Robert T. Stafford Student Loans	No
Scholarships Offered by Civic Groups	Yes
Scholarships Offered by Institution	Yes
Sports Scholarships	Yes

State Student Incentive Grants	No
State Vocational and Applied Technology Education Program which contains the:	No
<ul style="list-style-type: none"> • State Program and State Leadership Activities; • Program for Single Parents, Displaced Homemakers, and Single Pregnant Women; Sex Equity Program; • Programs for Criminal Offenders; Secondary School Vocational Education Program; Post secondary and Adult Vocational Education Program; • State Assistance for Vocational Education Support Programs by Community-Based Organizations; Consumer and Homemaking Education Program; Comprehensive Career Guidance and Counseling Program; and • Business-Labor-Education Partnership for Training Program 	
State-Administered Tech-Prep Education Program	No

Student Support Services (Title IV)	No
Supplemental Educational Opportunity Grants (SEOG)	No
Supplemental Loans for Students (Title IV)	No
Supplementary State Grants for Facilities and Equipment and Other Program Improvements Activities (Carl Perkins)	No
Tribally Controlled Post Secondary Vocational Institutions Program	No
TRIO Grants (Go to organizations or institutions for students from disadvantaged backgrounds.)	No
Upward Bound (some stipends go to students)	No
Vocational Education Dropout Prevention Program	No
Vocational Education Leadership Development Awards Program	No
Vocational Education Lighthouse Schools Program	No
Vocational Education Research Program	No
Vocational Education Training and Study Grants Program	No
Vocational Educator Training Fellowships Program	No

IV. BUDGETING INCOME

When a family reports income, verify and document the income and determine the payment amount by projecting income following the instructions below.

A. Prospective Budgeting

Budget all income prospectively when determining the *Work First Family Assistance* payment. The payment for a month is based on the income projected to be received in that month and, therefore, reflects as accurately as possible the family's need for that month. **For example**, July's *Work First Family Assistance* payment is based on the income projected to be received in July.

B. Base Periods

Budget ongoing income using information from the base period to estimate the projected income for future months. Use the following base periods:

1. **One Month:** The base period for most income is one month. The base period information should be from the month immediately preceding the month of application or the month the report or review is completed (for ongoing cases).
2. **Two Months:** The base period for the following types of income is two months:
 - child support,
 - regular self-employment, and
 - any income received once a month.

The base period information should be from the two months immediately preceding the month of application or the month of the report or review (for ongoing cases).

- 3. **Six Months:** If income is received less frequently than monthly, the base period is the 6 calendar months prior to the month of application or review, or the number of months the family has been receiving the income if less than 6 calendar months.
- 4. **Twelve Months:** If the income is received annually, the base period is 12 months.

If a full month of actual income is available for any month, budget the actual income for that month. (This may happen at application or administrative reopen.) Enter this income as actual income in the automated budget. EIS does not convert this income. Flag the case to complete a new budget for the following month.

C. Evaluating Base Period Income

Income received in the base period must be verified. To determine when income that is mailed is received, give three mailing days. To determine when income that is paid by electronic fund transfer (EFT) is received, give two business days from the date of authorization by the payer. However, for income that is mailed or transferred by EFT; accept the family’s statement of when they received the income if they state they received the income earlier. Once income information from the base period has been identified and verified, the caseworker must determine whether this income is representative of the income expected to be received during the month(s) for which eligibility is being determined.

Representative means that there are no anticipated changes and the documented income represents the applicant's average income.

If the base period income is not representative, do not use it to project income. If there is new, terminated or changed income during or after the base period, the base period income may not be representative, and the caseworker must make adjustments. See V. below.

If a pay period in the base period is uncharacteristically high or low, determine how often such occurrences can be expected and **document the decision whether or not to count the uncharacteristic pay period in budgeting.**

Example: A Work First applicant is paid weekly and has pay stubs for July, the base period, as follows:

Pay:	Date:
\$ 80.00	July 5
\$ 0.00	July 12
\$ 75.00	July 19
\$ 100.00	July 26

The applicant states she received no income the week of July 12 due to the annual closure of the company which is not expected to occur again until next July. The applicant also states that the variation between the \$75.00 and \$100.00 amounts is typical of the variation that normally occurs from week to week. Document the reason for the zero pay period in the case record, and use the other three payment amounts to project ongoing income beginning in August.

\$ 80.00 + 75.00 + 100.00	= \$255.00	Actual July Income
\$255.00 ÷ 3	= \$85.00	Weekly Average
\$85.00 x 4.3	= \$365.50	Projected Monthly Income

Apply the appropriate earned income deduction as described in XI. below.

NOTE: To determine when income that is mailed is received, give three mailing days. However, accept the family's statement of when they received the income if they state they received it prior to the three-day mailing date.

D. Computation of Income

Use the automated budget in EIS to calculate a family's projected income. The automated budget in EIS averages the income from each pay or benefit period and converts it to a monthly amount. The income is converted to a monthly amount according to the frequency of receipt. The automated budget multiplies the averaged amount by:

- ◆ 4.3 if the income is received weekly.
- ◆ 2.15 if the income is received biweekly (every two weeks).
- ◆ 2 if the income is received twice a month.
- ◆ 1 if the income is received monthly.

Instructions on how to complete the automated budget are in the EIS instructions in the Work First User Manual.

To compute a monthly income amount, enter the base period amounts and the correct indicator for the frequency of receipt into the automated budget in EIS. Budget this income in the automated budget until the next *Work First Family Assistance Report* or change in income, whichever occurs first.

EXAMPLE 1: Ongoing Case - The following earned income is reported on the *Work First Family Assistance Report*.

Pay:	Date:
\$ 125.00	April 2
130.00	April 9
110.00	April 16
150.00	April 23
100.00	April 30

Enter **each** amount in the automated budget and the indicator for weekly income. The automated budget averages the income and multiplies it by 4.3 to get a

monthly amount. Continue to count this income until the next *Work First Family Assistance* Report or change in income, whichever occurs first.

EXAMPLE 2:

Family is receiving ongoing *Work First Family Assistance*. The family has ongoing UIB. The family reports on the *Work First Family Assistance* Report returned in May that they received \$150 on April 12 and \$150 on April 26. This is verified by viewing the ESC screen. Enter both amounts in the automated budget along with the indicator reflecting payment is received biweekly. The EIS automated budget averages and converts automatically this income to a monthly amount. Continue to count this income until the next *Work First Family Assistance* Report or change in income, whichever occurs first.

V. BUDGETING NEW OR CHANGED INCOME

When a family has new or changed income during or after the base period, the base period income is not representative of expected income. Do not use base period income to determine eligibility or payment amounts.

A. Changed versus Fluctuating Income

Income is fluctuating when it changes slightly but the fluctuation does not represent an ongoing change and is not representative of a change in income anticipated during the period for which eligibility is being determined. For example, if an employee's weekly income fluctuates due to variations in the number of hours scheduled and the scheduled hours are as likely to go up as to go down, the income is fluctuating. Do not rebudget based on normal fluctuations in income.

B. Changed Income

A change in income is:

1. A change in the rate of pay.
2. An increase or a decrease in the award, court ordered, or agreed-upon amount for unearned income (child support, contributions, SSA, VA, etc.) or a change in the actual amount received for contributions or child support).

NOTE: When there is a change in the award, court ordered, or agreed-upon amount of child support, the caseworker must evaluate whether it is reasonable to expect the actual amount received to change. For example, if court ordered child support increases and the caseworker knows that the absent parent is in prison and therefore unable to pay, do not budget a change in income. Document the reason for the decision.

3. An ongoing change in the number of work hours for earned income.
4. A new source of earned or unearned income.
5. A terminated source of earned or unearned income.

When a family experiences a change in income, reflect the change in the payment as early as the month following the month of change, but no later than the second month following the month of change.

C. Special Instructions Regarding Temporary Agency Employment

Individuals employed by temporary agencies may begin, end, and change assignments on a sporadic basis. Although they may work at different locations and perform different duties, they remain employed by the same employer—the temporary agency. The caseworker will have to decide on a case-by-case basis whether to treat the situation as a change in income, terminated income, or new income.

Temporary workers may experience a period between assignments when they have no income. If they begin a new assignment within a few days of an assignment ending, the caseworker might consider the days without pay as a fluctuation that does not require action.

However, if an assignment ends and a new assignment appears unlikely, or cannot be expected within a short period, then the income that is projected in the ongoing budget is not representative of what the family can expect in the upcoming month(s). In this situation, adjust the WFFA budget to reflect a reduction in anticipated income.

Factors to consider are the employee's history with the temporary agency, overall work history, and marketable skills and experience. The caseworker may want to contact the agency and ask about the number of placements they expect to have in the near future that might match the employee's skills.

When a temporary worker reports a new assignment that reflects a change in the ongoing number of hours or rate of pay, treat this as a change in income as described in B. above.

D. What to do when a family reports New or Changed Income?

If the family reports new or changed income, verify and document the new monthly income. To determine and document the new income, follow the instructions below.

NOTE: The family is required to report all changes within 10 calendar days of knowing of the change.

1. Verify the amount the family expects to receive each pay or benefit period.
 - a. The family is responsible for providing verification of income. If the family needs assistance in obtaining verification because of a disability, this assistance must be provided as a reasonable accommodation. To be entitled to a reasonable accommodation for a disability, a caretaker need not be receiving or be eligible for SSI or other disability benefits.

- b. Set a deadline for families to return verification of earned and unearned income. See the chart in III. above for possible sources of verification.
- c. For ongoing cases, if the family does not provide verification of earned or unearned income by the deadline set, send an automated timely notice to terminate assistance.
- d. For applications, if the family does not provide verification of earned or unearned income by the deadline, see Application Processing for instructions.

2. Project the new income.

a. To project earned income, take the following steps.

(1) Determine the:

- ◆ Hourly rate of pay;
- ◆ Number of hours per pay period;
- ◆ Frequency of pay, i.e., weekly, biweekly, semimonthly, or monthly; **and**
- ◆ Expected date of pay.

(2) Multiply the hourly rate by the number of hours in the pay period. Use this total to project the income.

b. To project unearned income, take the following steps.

(1) Determine:

- ◆ The benefit amount;
- ◆ Frequency of the benefit; and
- ◆ Expected date of receipt.

(2) Use the expected benefit amount to project the income.

3. Enter the projected income into the automated budget in EIS.

- a. **If a full month of income will not be received**, enter the projected amount in the automated budget the number of times it is expected to be received. Enter the actual income indicator in the automated budget. EIS does not convert this to a monthly amount. Flag the case to complete a new budget for the following month.
- b. **If a full month's income is going to be received**, enter the projected amount and the frequency of receipt in the automated budget. EIS converts this to a monthly amount. Budget this income in the automated budget until the next *Work First Family Assistance* Report or change in situation, whichever occurs first.

EXAMPLE 1: Ongoing *Work First Family Assistance* case with a family member who goes to work in March. The employer verifies the family member is paid \$5.00 an hour and is expected to work 25 hours in the first pay period. The family member will receive his first pay April 5. The family member will normally work 40 hours a week. The family member is paid weekly and will be paid four times in April.

$\begin{array}{r} \$5.00 \\ \times 25 \\ \hline \$125 \end{array}$ (projected 1 st pay)	$\begin{array}{r} \$5.00 \\ \times 40 \\ \hline \$200 \end{array}$ (projected ongoing weekly pay)
$\begin{array}{r} \$200 \\ \times 3 \\ \hline \$600 \end{array}$ (projected remaining April pay)	$\begin{array}{r} \$125 \\ +600 \\ \hline \$725 \end{array}$ (projected April total)

Use \$725 for April's budget. Enter this amount as actual income in the automated budget. EIS does not convert this income.

Enter \$200 for May's budget and ongoing months until a *Work First Family Assistance Report is received* or the family reports a change. Enter the indicator for wages received weekly. The automated budget converts this income to a monthly amount.

4. If the income causes the case to be ineligible, the family must be evaluated for Medicaid. Refer to the Work First User Manual and Section 202 for information regarding evaluation of Medicaid for families who lose Work First eligibility.

VI. BUDGETING TERMINATED INCOME

If the family reports that income has terminated or is scheduled to terminate during or after the base period, follow the instructions below.

- A. Verify the family member's terminated income.
- B. If the income has terminated and the last pay or benefit was received prior to the date of application, **do not count the income**.
- C. Do not count terminated income in any month following the month in which the last income is received. (For example: If the last pay is received in August, do not include the income in a budget for September or October.)
- D. If actual income is available for the month income terminates, budget the actual income for that month. Enter this as actual income in the automated budget. EIS does not convert this income. Flag the case to complete a new budget the following month.
- E. If a full month's income is not expected to be received, budget the amount that is expected, and indicate that this is actual income. EIS does not convert this to a monthly amount. Flag the case to complete a new budget the following month.

EXAMPLE 1:

A family applies for *Work First Family Assistance* March 15. A family member is receiving UIB of \$100 every two weeks. The family member received \$100 on March 8 and on March 22. The family reports that the UIB is terminating and that they will receive one more UIB payment of \$100 in April.

The application is processed on March 25. Use the actual income of \$200 in March's payment calculation. Use the actual income of \$100 in April's payment calculation. Do not count any UIB for May or for any ongoing months.

EXAMPLE 2:

A family is receiving ongoing *Work First Family Assistance*. The family reports April 15 that a family member's employment ended April 12. The family member expects to receive his last pay May 6. He will receive only one pay in May. The employer verifies that the family member is paid \$5.00 an hour and will be paid for 20 hours in his last pay.

$$\begin{array}{r}
 \$ 5.00 \\
 \times 20 \\
 \hline
 \$ 100.00
 \end{array}$$

Budget \$100 for the month of May. Flag the case to key another budget for June and ongoing months with zero earnings from this job.

- F. If a full month's income is expected to be received, budget as ongoing income. Flag the case to complete a new budget the following month.

VII. BUDGETING CONTRACT INCOME

Contract income is money paid to an individual, such as a teacher, based on a verbal or written agreement.

- A. **Prorate the contract income over the period the contract is intended to cover.** Divide the contract amount by the number of months it is intended to cover. Enter this amount as actual income in the automated budget. It is not converted. Continue to count this income as long as the contract is in effect.

Example: Teachers generally sign a 12-month contract with the school system by which they are employed. Divide the income specified in the current contract by 12 to determine the monthly gross income. Use 12 months to annualize income even if the teacher receives the income over only 10 months. If the income has been averaged over 12 months and the employment ends after he or she has been paid the full contract amount, continue to count the average monthly amount as income for the remainder of the 12-month period. This may also apply to other school employees.

- B. **If the contract income is paid on an hourly or piecework basis, verify the income received during the base period.** Use this income as a monthly amount. Do not convert the income.

NOTE: School employees other than teachers who do not work during the summer are usually not on a contract or they are paid on an hourly basis, so this policy does not apply to them. Treat the end of the school year as a change in hours of employment. If they return to the same job at the beginning of the next school year, treat this as another change in hours of employment (not as a new job).

VIII. ANNUALIZED SELF-EMPLOYMENT INCOME

Annualized self-employment is defined as self-employment where the income is received less often than monthly and is intended to be the annual support for the family. Examples include farming and certain fishermen.

NOTE: See XV. below for information on determining allowable operational expenses.

A. To project this income:

1. Obtain income verification for the previous 12 months or, if the business has been in operation less than 12 months, the number of months the business has been in operation.
2. Obtain verification of business expenses for the previous 12 months or, if the business has been in operation less than 12 months, the number of months the business has been in operation.
3. Enter the income and expenses for each month in the automated budget.
4. Continue counting this income until the next review unless there is a change. If there is a change, follow instructions in B. below.

NOTE: For *Work First Family Assistance* reporting cases with annualized self-employment **do not recalculate the gross countable income at each *Work First Family Assistance* Report.** As *Work First Family Assistance* Reports are received, review for completeness and timeliness and act on them at the next review.

B. Changes to Annualized Self-Employment

Change in annualized self-employment is defined as beginning or terminating employment or a substantial increase or decrease in income.

1. Beginning Employment or Substantial Increase or Decrease

- a. Verify the amount the family is expected to receive each pay period.
- b. If actual income and expenses are available for any month, budget the actual income and expenses for that month.
- c. If the family will not receive a full month's income, use actual (if available) plus projected income in that month.

- d. Use projected income and expenses for ongoing months of eligibility until the next review.

2. Terminated Employment

- a. Verify the family member's terminated income.
- b. If the income has terminated and the last pay or benefit was received prior to the date of application, **do not count**.
- c. If actual income is available for any month, budget the actual income for that month.
- d. If a full month's income is not expected to be received, use actual (if available) plus projected income for the last month the terminated income is expected to be received.
- e. Budget as ongoing income if a full month's income is expected to be received.
- f. Do not count terminated income in any month after the last income is received.

NOTE: For self-employment that is not annualized, follow budgeting procedures in V., VI., and VII. above. Examples of non-annualized self-employment include baby-sitting, selling Avon, or doing carpentry.

IX. JOB BONUS AND EARNED INCOME DEDUCTION

Once the individual's gross monthly-earned income is determined, the caseworker must determine the net amount to count in calculating the *Work First Family Assistance* payment.

There are two deductions allowed for the earned income of budget unit members; they are the 100% JOB BONUS and the 27.5% earned income deduction.

A. The 100% JOB BONUS

The JOB BONUS is 100% exclusion of earned income for three months after any adult member of a Work First budget unit begins employment or begins working 20 hours or more a week. The JOB BONUS is an incentive for families to go to work and continue working. The Job Bonus delays the reduction of the family's Work First payment in response to the new income. This eases the family's transition into economic self-sufficiency.

NOTE: The budget unit includes financially responsible individuals who are excluded from the family unit because they do not meet the citizenship/alienage rule, do not apply for a Social Security Number, are ineligible due to criminal violations, or fail to participate in substance abuse treatment (See Section 104, III.). Because their income is counted in determining eligibility, these individuals may qualify for the JOB BONUS.

Each adult budget unit member can receive the JOB BONUS if the following criteria are met.

- The employment is new;
- The employment is expected to be permanent; **and**
- The employment is expected to be at least 20 hours per week.

The JOB BONUS can only be received once in a lifetime in the Work First Program. Therefore, it is important that families be correctly evaluated for the JOB BONUS to ensure that it is applied appropriately.

When evaluating the adult for the JOB BONUS, determine first whether he has received the JOB BONUS before and then determine whether the job is expected to be at least 20 hours per week and permanent. Failure to evaluate these criteria before applying the JOB BONUS may negatively impact the family.

NEW: Employment is new if it entails an ongoing increase in hours to more than 20 per week, is a move to a new position with the same employer, or is a move to a new employer.

NOTE: When a teacher or other contract employee returns to the same school system at the beginning of the school year, this is not considered new employment, and the Job Bonus does not apply.

PERMANENT: There is no set definition for permanent when deciding to apply the JOB BONUS. This should be determined on a case-by-case basis. For example, there are some jobs with temporary agencies that are long term and, therefore, may be considered permanent for purposes of applying the JOB BONUS. It is important that the caseworker carefully evaluates positions with temporary agencies as well as other positions prior to applying the JOB BONUS.

B. The 27.5% Earned Income Deduction

When the caseworker evaluates an employed adult for the JOB BONUS and he does not qualify, allow the 27.5% earned income deduction to his earnings. Every employed adult in the budget unit who has earned income is eligible for the 27.5% earned income deduction for as long as the family receives Work First cash assistance.

C. Wage Verifications

When the parent or stepparent reports an employment change, request verification of the new wages. **Do not** wait for wage verification to apply the JOB BONUS. Determine the JOB BONUS period based on the client's statement of earnings if verifications have not been received.

The wage verification is necessary to evaluate eligibility once the bonus period ends. If the wage verification is not received prior to the end of the JOB BONUS period, send a timely notice to terminate. Evaluate everyone in the assistance unit for all possible Medicaid Programs.

NOTE: The quarterly report will be considered as an acceptable form of wage verification when evaluating for ongoing eligibility. Also, as one of the selection requirements for quarterly reporting in EIS, **gross income** must be keyed at individual level on the DSS-8125.

D. Evaluating for the JOB BONUS during the Application Period

- If an applicant is not working, working less than an average of 20 hours per week, or is working 20 hours or more at the time of application, apply the 27.5% earned income deduction to his gross earned income. Do not apply the JOB BONUS. Refer to the automated budget instructions in the Work First User Manual.
- If an applicant is not working at all or is working less than an average of 20 hours per week at the time of application, and subsequently increases the average working hours to 20 or more per week, in a job that is expected to be permanent, apply the 100% JOB BONUS for 3 consecutive months beginning no earlier than the month following the month of first pay that includes the increased hours or the new job.
- However, if the new/increased wages cause ineligibility in the month of receipt, apply the JOB BONUS for 3 consecutive months beginning with the month of receipt.

EXAMPLE: Adult applicant applies March 12 working less than 20 hours per work. Starts working 30 hours per week in the last week of March. The first pay that includes the increased hours is received in April. Apply the 100% JOB BONUS beginning in May. The JOB BONUS will run from May through July. If the April income causes ineligibility for April, apply the JOB BONUS beginning in April for April, May and June.

E. Evaluating Ongoing Cases for the JOB BONUS

1. When a Work First recipient goes to work, apply the JOB BONUS to his earning for 3 **consecutive** months if:
 - The employment is for an average of at least 20 hours per week,
 - The job is expected to be permanent, and
 - The adult recipient has not received the JOB BONUS before.

Apply the 100% JOB BONUS for 3 **consecutive** months beginning no earlier than the month following the month of first pay that includes the increased hours or the new job.

REMEMBER: The JOB BONUS can be applied only once in a lifetime for each Work First recipient who becomes employed.

2. If a Work First recipient begins employment, meets the criteria, and receives the 100% JOB BONUS, the 3 months of the JOB BONUS are **consecutive** whether or not the recipient remains employed.

EXAMPLE # 1: A Work First recipient achieves employment and receives the 100% JOB BONUS beginning the month of April. He subsequently discontinues employment during the month of May, and then regains employment during June. The JOB BONUS runs from April through June. Earned income from the new job will be disregarded for June because June is within the Job Bonus period.

EXAMPLE # 2: A Work First recipient achieves employment and receives the 100% JOB BONUS beginning the month of April. He subsequently discontinues employment during the month of May, but regains employment within the same month of May, and remains employed through the month of June. The JOB BONUS continues through June

- 3. After 3 **consecutive** months of the 100% JOB BONUS, apply the 27.5% earned income deduction from the gross earned income of each employed adult for as long as he is a Work First cash recipient.
- 4. The family continues to receive the 27.5% earned income deduction for as long as the family has earned income and remains eligible for at least a \$25 payment.

F. Tracking the JOB BONUS

Refer to the automated budget instructions in the Work First User Manual for tracking the JOB BONUS. The tracking for JOB BONUS will run 3 **consecutive** months beginning with the 1st month entered on the budget screen in the JOB BONUS field.

The JOB BONUS History Screen allows the caseworker to use the update function to enter a retroactive JOB BONUS period. Use this function when the adult fails to report wage information timely.

For adults not included in the case, track the JOB BONUS manually using documentation in the case record.

X. THE WORK FIRST PAYMENT CALCULATION

- A. Refer to the automated budget instructions in the Work First User Manual.
- B. Total countable earned and unearned income including deemed income. Subtract the total from the Need Standard for the number in the family unit. The payment is 50% of the difference, unless there is a recoupment and/or sanction. The recoupment amount is subtracted from the payment. The sanction percentage is taken from the payment. The following chart shows the Need Standard by the number in the family unit.

NEED STANDARD BY NUMBER IN THE BUDGET/FAMILY UNIT							
Number In Budget/Family Unit	1	2	3	4	5	6	7
Need Standard	\$362	\$472	\$544	\$594	\$648	\$698	\$746

Number In Budget/Family Unit	8	9	10	11	12	13	14
Need Standard	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042
For each additional person in the budget/family unit, add \$50 to the Need Standard for 14.							

- C. If the difference is \$25.00 or more, authorize the payment amount shown on the final screen of the automated budget. If the difference is \$.01 to \$24.99, the family is ineligible for a Work First check. At application, deny Work First and evaluate for Medicaid. For an ongoing case, transfer the Work First to Medicaid.
- D. If the amount of a recoupment results in a payment of less than \$25.00, recalculate the recoupment amount and period to ensure a \$25.00 payment. Authorize a \$25.00 payment.

XI. WORK FIRST FAMILY ASSISTANCE REPORTING

Some families are required to complete a *Work First Family Assistance Report* ([DSS-8127](#)), to continue to receive *Work First Family Assistance*. This report is issued once every three months. The purpose of the *Work First Family Assistance Report* is to ensure correct *Work First Family Assistance* benefits and compliance with certain provisions of the Mutual Responsibility Agreement. This eliminates the need for manual tracking of the 12-week review for compliance with certain provisions of the Mutual Responsibility Agreement.

A. Which Families receive a *Work First Family Assistance Report*?

- 1. In order to ensure a family's *Work First Family Assistance* payment is based on the most accurate information, families with **earned and unearned income** will receive a *Work First Family Assistance Report*.

EXCEPTION: Families whose **only** income is Social Security will not receive a *Work First Family Assistance Report*. The *Work First Family Assistance Report* is not received in this instance, as the Social Security amount generally remains stable.

- 2. Families with **recent work history** will also receive a *Work First Family Assistance Report*. It is more likely that a family member who has been working will quickly find employment. Therefore, the family receives one additional *Work First Family Assistance Report* after the earned income terminates.
- 3. **Two parent families** receive a *Work First Family Assistance Report* as in most two parent families at least one family member has had recent employment.
- 4. To aid in monitoring compliance with the Mutual Responsibility Agreement, families that contain a **minor parent or a 16 year old or older child** will also receive a *Work First Family Assistance Report*.

B. What Information is reported on the Work First Family Assistance Report?

The family reports the following information on the *Work First Family Assistance* Report.

1. Income.
2. Child and adult care expenses.
3. Changes in family situation, such as a family member moving in or out of the home, birth of a child, or marriage.
4. School attendance for minor parents as well as 16 year old or older children.
5. Verification that minor parents live with a parent or in another appropriate adult supervised setting.

The family is still responsible for reporting changes within 10 calendar days of the date the family knows of the change.

C. When are Work First Family Assistance Reports Issued?

1. EIS automatically mails a family who is newly approved for *Work First Family Assistance* their first *Work First Family Assistance* Report at the end of their second benefit month.
2. If the family's *Work First Family Assistance* application is processed after the selection date in their second benefit month, EIS issues their first *Work First Family Assistance* Report at the next reporting selection date as stated on the *Work First/Transitional* Reporting Schedule.
3. A *Work First Family Assistance* Report is then sent to the family once every three months.
4. Administrative Reopens - Send the family a manual *Work First Family Assistance* Report if the family's payment was terminated prior to the selection date for *Work First Family Assistance* reporting. The caseworker must track this report manually.

D. When must the family return the Work First Family Assistance Report?

Families must return their completed report by the deadline indicated on their report. The deadline is also listed on the *Work First/Transitional* Reporting Schedule.

A *Work First Family Assistance* Report is complete when it is signed and all information needed to determine eligibility is reported. In two-parent cases, either parent may sign the report.

E. What are the caseworker responsibilities in assisting the family with the Work First Family Assistance Report?

If the caretaker has a disability that makes it difficult to read, understand, or complete the Work First Family Assistance Report, gather the documentation necessary to complete the report, or remember to submit the report on a timely

basis, the family has a right to receive help from the agency in doing so as a reasonable accommodation. The caseworker must inform all families required to submit Work First Family Assistance Report that they have a right to such help if it is needed as the result of a disability. The worker should ask families if they need such help and document in the case record that this help was offered. If the families indicate that they want such help, this should be documented in the case record, along with the type of help that the family needs. To be entitled to a reasonable accommodation for a disability, a caretaker need not be receiving or be eligible for SSI or other disability benefits.

F. What happens when a Work First Family Assistance Report is returned?

The caseworker must determine whether the *Work First Family Assistance Report* is complete.

1. **If the *Work First Family Assistance Report* is complete, take the following actions.**
 - a. Date stamp the *Work First Family Assistance Report*.
 - b. Retain the envelope if the *Work First Family Assistance Report* is received after the deadline, and the envelope is postmarked prior to the return deadline.
 - c. Record the receipt of the *Work First Family Assistance Report* in EIS. See the EIS instructions in the Work First User Manual.
 - d. Review the *Work First Family Assistance Report* for changes and compliance with the Mutual Responsibility Agreement, if appropriate.
 - e. If there are no changes, file the *Work First Family Assistance Report* in the case record.
 - f. If there are changes, take appropriate action on the change. (Refer to instructions in Changes In Situation or if it is an income change, refer to instructions in this section.)
 - (1) An adequate notice is required. Enter the appropriate adequate notice code to issue an automated notice.
 - (2) Notify other appropriate areas of the agency of the change via the Income Maintenance Transmittal form (DSS-8194) or the *Work First* Information Transmittal form (DSS-6904), as appropriate.
2. **If the *Work First Family Assistance Report* Is Received Incomplete, take the following actions.**
 - a. Date stamp the *Work First Family Assistance Report*.
 - b. Retain the envelope for the postmark date.

- c. Record the receipt of the *Work First Family Assistance Report* in EIS. See the EIS instructions in the Work First User Manual.
- d. Circle the incomplete items in red on the *Work First Family Assistance Report*, and attach a Notice Of Incomplete *Work First Family Assistance Report Form* ([DSS 8137](#)).
- e. **Review the case record to determine whether the family indicated a need for help in completing and returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the worker should provide the help.**
- f. If the record contains no indication that the family sought help with completing and submitting the report, or such help was already provided, mail the *Work First Family Assistance Report* and the DSS-8137 to the family no later than the "Last Day To Key Status Code - 1st Deadline" as stated on the *Work First/Transitional Reporting Schedule*. This ensures the family has 10 calendar days to return the incomplete *Work First Family Assistance Report* before the date their *Work First Family Assistance* is terminated due to *Work First Family Assistance* reporting.

3. What happens if the Work First Family Assistance Report is not received?

- a. If the *Work First Family Assistance Report* is not received by the first deadline, review the case record to determine whether the family indicated a need for help on completing and returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the worker should provide the help. If the record contains no indication that the family sought help with completing and submitting the report, or such help was already provided, no action is necessary. A second *Work First Family Assistance Report* is issued automatically along with a system generated Notice of Failure to Return *Work First Family Assistance Report* and a return envelope stamped "*Work First Family Assistance*." These are issued on the second mailing date on the *Work First/Transitional Reporting Schedule*.
- b. If the *Work First Family Assistance Report* is not received by the second deadline, or is received but is incomplete, the worker should review the case record to determine whether the family indicated a need for help in completing and returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the worker should provide the help. If the record contains no indication that the family sought help with completing and submitting the report, or such help was already provided, EIS will automatically transfer the case to MAF-C. The family will receive a notice of cash assistance termination. Notify appropriate areas of the agency of the family's termination from cash assistance and the authorization for MAF-C.

G. What happens when a family's Work First Family Assistance is terminated or transferred to another Aid Program/Category?

1. If a family's *Work First Family Assistance* is terminated prior to the automated *Work First Family Assistance* reporting transfer, the screen is updated automatically.
2. If termination occurs prior to the second *Work First Family Assistance* reporting selection date, a second *Work First Family Assistance* Report is not issued.
3. If the family's *Work First Family Assistance* case is transferred to another Aid Program/Category and the family is notified via an adequate notice the Reporting screen is updated automatically.
4. If the Aid Program/Category transfer occurs prior to the second *Work First Family Assistance* reporting selection date, a second *Work First Family Assistance* Report is not issued.
5. If the family's *Work First Family Assistance* case is transferred to another Aid Program/Category and the family is notified via a timely notice, update the Reporting screen in EIS. See the Work First User Manual for EIS instructions.

A second *Work First Family Assistance* Report is not issued if the update occurs prior to the second *Work First Family Assistance* reporting selection date.

XII. SPECIAL INSTRUCTIONS FOR CHILD SUPPORT

- A. All child support being received by any family unit member is counted as unearned income to that family unit member, even if the support is received on behalf of a child who has reached adult age (18) or no longer lives in the household.
- B. A family may receive child support that has been paid by the absent parent through the Central Collection System. The absent parent may also pay child support directly to the family.
- C. To verify child support received directly to the family from an absent parent, send each absent parent a Contribution Form (DSS-8176) at application and review. Do not hold the application pending or terminate assistance for failure of the absent parent to return the form.
- D. Income received in the base period must be verified. To determine when income that is mailed is received, give three mailing days. To determine when income that is paid by electronic fund transfer (EFT) is received, give two business days from the date of authorization by the payer. However, for income that is mailed or transferred by EBT; accept the family's statement of when they received the income if they state they received the income earlier. Once income information from the base period has been identified and verified, the caseworker must determine whether this income is representative of the income expected to be received during the month (s) for which eligibility is being determined. Caseworkers must verify child support received

through the Central Collection System by inquiry into the Online Verification System (OLV).

- E. If child support is received by the family for a child who is not a required family unit member, determine whether it is to the family's advantage to exclude that child from the WFFA family unit. (Remember, non-family income does not count).

XIII. SPECIAL INSTRUCTIONS FOR CONTRIBUTIONS

- A. When different family units are sharing the same home, do not count as a contribution any income a family member gives to the family unit to assist in paying bills such as electricity, gas, insurance, car payments, etc.
- B. Do not count contributions from the adult caretaker (payee) to the child (ren) in a child-only case.
- C. When a family member receives SSI, do not count any money he gives the family unit as a contribution.
- D. If someone from outside the household contributes directly to the unit, it is counted as a contribution, see chart.
- E. At application, review, and appropriate changes in situation, mail a Contribution Form, ([DSS-8176](#)), to:
- ◆ Each adult in the home who does not receive SSI, (except the payee in a child-only case).
 - ◆ Anyone from whom the family reports receiving a contribution, **and**
 - ◆ All absent parents a known address.

The Contribution Form(s) must be completed and returned to the caseworker by the date indicated on the form.

1. **For applications**, even if the applicant states he receives a contribution from a household member, do not hold the application pending beyond the 45th calendar day to get the Contribution Form. See the Application Processing instructions.
 2. **For ongoing cases**, if a household member does not return the Contribution Form by the deadline indicated on the form, terminate *Work First Family Assistance*. Evaluate the case for Medicaid eligibility. Do not terminate a case in which the absent parent or other non-household member did not return the form.
- E. If the family's statement and the contributor's statement disagree on the amount of the contribution, try to resolve the discrepancy using the Contribution Form (DSS-8176). If the caseworker cannot resolve the difference, use the lower amount.

XIV. SELF-EMPLOYMENT AND OPERATIONAL EXPENSES

An individual is self-employed when he is working in his own business, trade, or profession rather than working for an employer. In general, the individual incurs operational expenses related to operating his business or working in his trade or profession.

The caseworker must look at the individual's work situation to determine whether he is self-employed or working for an employer. For example, an individual who baby-sits in his own home is self-employed, whereas an individual who baby-sits in another person's home is an employee of that person. Another example is an individual who cares for other people's lawns. If the individual provides his own equipment, gas, etc., he is self-employed. If he uses the homeowner's equipment, he is an employee of that person. Also, if taxes are being deducted from the pay the individual receives, he is **not** self-employed.

The automated budget calculates the self-employment income. The gross income and operational expenses must be entered in the averaged income screen in the automated budget. See the automated budget instructions in the Work First User Manual.

The family member must provide verification of any operational expenses he has. His verified operational expenses are deducted from his income before determining his countable income. **Operational expenses include, but are not limited to:**

- ◆ Taxes required to operate the business
- ◆ **Licenses and permit fees**
- ◆ **Rent payments**
- ◆ **Insurance**
- ◆ **Labor costs** (employees)
- ◆ Building, equipment, and livestock maintenance
- ◆ Products required to operate a business
- ◆ **Interest on business debts** (not payments on the principal amount)
- ◆ Utilities and real estate agent's fee for rentals
- ◆ **Food costs for baby sitters.** If there are no records on the actual cost of food, determine the cost based on the number of children eating and the number of meals provided.

EXAMPLE:

1. Determine the percentage of the month's 91 meals (average) that are eaten because of the business. Example: A child eats breakfast and lunch at the baby sitter's five days a week for four weeks and 3 days.
$$2 \times 5 \times 4 = 40$$
$$+ 3 \times 2 = 6$$

- 46 meals/91 = .5055 or 50.55%
2. Multiply the appropriate food allowance for the number of persons eating because of the business in the table below by the percentage in step 1.
Example: The child in the above example eats 50.55% of his meals with the baby sitter. He is the only child in care. 50.55% x \$182 (from the table below) = \$92.00
 3. Round the result to the next higher dollar. The result is the allowance for operational expenses deduction.

- ◆ **Food costs for boarders.** If there are no records on the actual cost of food, determine the cost based on the number of boarders eating and the number of meals provided.

Using the total number of boarders plus the number in the family unit, determine the corresponding food allowance for each person from the table below.

EXAMPLE:

A boarder eats breakfast and lunch in the home five days a week for four weeks. There are two people in the family unit.

1. Determine the percentage of the month's 91 means (average) that are eaten because of the business.

 $2 \times 5 \times 4 = 40 \text{ meals} / 91 = .4396 = 43.96\%$
2. The boarder eats 43.96% of his meals in the home. He is the only boarder. 43.96% x 84 (from the table below) = \$36.92.
3. Round the result to the next higher dollar. The result is the allowance for operational expenses deduction.

FOOD ALLOWANCE FOR BABY SITTERS AND BOARDERS							
Number of Persons	1	2	3	4	5	6	7
Food Allowance Per Person	\$182	\$117	\$84	\$70	\$62	\$57	\$53
Number of Persons	8	9	10	11	12	13	14
Food Allowance Per Person	\$50	\$48	\$44	\$43	\$43	\$43	\$43
Each additional person's food allowance is \$43.							

XV. SCHOLARSHIPS AND OTHER EDUCATIONAL ASSISTANCE

Once the caseworker determines that the scholarship or other educational assistance is countable, they must determine how much to count. This includes work-study programs not funded by Title IV of the Higher Education Act or Bureau of Indian Affairs student assistance programs.

- A. Subtract from the scholarship or other educational assistance the portion that is used for the following items.

1. Tuition and fees
 2. Books and supplies
 3. Equipment
 4. Special clothing needs
 5. Required school insurance
 6. Child care needed for school attendance
- B.** Divide the remaining portion by the number of months the scholarship or educational assistance is intended to cover. Count this amount as unearned income for each month the scholarship or educational assistance is intended to cover.

XVI. WORK RELEASE FUNDS

A family may be potentially eligible for **Work Release Funds** if a child in the family is deprived of parental support and care due to the absence of a parent who is in prison. Work Release Funds are funds a family member may receive from a prisoner who is employed under the Department of Correction's Work Release Program.

Count Work Release funds received by a family as child support.

When the Department of Correction sends a DC-190 to the agency, the county director must designate who is responsible for contacting a prisoner's dependents, whether known to the agency or not, to determine their needs. The designee must:

- A. Contact the dependents.** For this purpose, a dependent is defined as a spouse, child, parents of the prisoner, or other relatives for whom the prisoner has assumed responsibility in the past. The caseworker must also consider any other legal dependents whom the prisoner has not acknowledged.

Do not consider as dependents a remarried spouse or the parent of the dependent children if the parents were never married.

- B. Determine the dependents' needs for Work Release funds.** To accomplish this, add the monthly needs for the number of dependents in the household using the table in E. below plus the dependents' monthly payments on health and life insurance, medical expenses not covered by Medicaid, school lunches, and expenses for college and vocational training courses not met by loans, grants, or scholarships.

Disregard all of the dependents' income.

- C. Notify the Department of Correction within two weeks of the dependents' needs using the Report On Aid Needed By Inmate's Dependents ([DSS-1664](#)).** Attach a copy of any court order concerning the prisoner's dependents.
1. If there is no court order for support or if the court order indicates support will be paid through the county, return only one DSS-1664 listing all dependents.
 2. If there is a valid court order that indicates a specific amount to be paid for some of the dependents, return two DSS-1664's. (Complete item 4 on

the DSS-1664, and attach a copy of the court order.) The Department of Correction will pay the specified amount directly to the Clerk of Court. Any remaining monies will be sent to the county for other dependents.

- D. Use the IV-D Menu screen to notify the Child Support Office that the family unit is receiving Work Release funds. Any court order for support has to be amended due to Work Release funds. If there is no order for support, the Child Support Office may find it appropriate to pursue court action.
- E. This chart lists the monthly needs of dependents based on the number of dependents.

NEEDS OF DEPENDENTS							
Number of Dependents	1	2	3	4	5	6	7
Monthly Needs	\$362	\$472	\$544	\$594	\$648	\$698	\$746

Number of Dependents	8	9	10	11	12	13	14
Monthly Needs	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042
For each additional dependent, add \$50.							

XVII. LUMP-SUM PAYMENTS

A lump sum is a one-time payment that is not expected to reoccur.

- A. For applications: Lump sum payments received during the month of application are counted as income during that month. Count any remaining balance **as a resource** beginning the month after the month of receipt.
- B. For on-going cases: Count the remaining balance **as a resource** in the month after the month of receipt.

Do not recoup assistance received the month the lump sum is received.

- C. Do not count the following types or portions of lump sum payments:
 - ◆ Lump sum settlement paid directly to the provider, such as a doctor or attorney
 - ◆ SSI
 - ◆ Payments received as compensation for a loss of resources or a lump sum earmarked for a specific purpose

XVIII SPECIAL INSTRUCTIONS FOR BANK ACCOUNTS

Money deposited into a bank account to which the Work First family has access is **income** in the month it is deposited. Examples include direct deposit of earnings by an employer; direct deposit of Social Security benefits; child support payments deposited by absent parents; etc. Use the policies in this section to determine how to count the income just as if it were paid directly to the family.

This includes money deposited into a joint account by a non-family unit member (such as an absent parent) unless there is an explicit agreement specifying how the deposit is

to be divided among the individuals who have access to the account. Unless there is documentation of such an agreement, count the full amount deposited as income in the month it is deposited.

EXAMPLE: A Work First recipient is separated from her husband, who is not included in the Work First budget unit. She has full access to a joint bank account with her husband. Her husband's paychecks are deposited into the account bi-weekly. The deposits are countable income to the Work First family. Treat the income as a contribution. This is not earned income because the husband is not in the budget unit.