

204 Computing Income for Eligibility

A. Standards for Determining Number in Family and Countable Income

The definitions, methods of calculation and types of income to be counted set forth in this Policy must be used to determine eligibility for enrollment, or recertification in an SSAI project. (To compare calculated income with the income limit for an appropriately sized family, see section 203-I Income Limits for Eligibility.)

B. Definition of Family

For the purpose of determining income level for eligibility in SCSEP, family is when members live in the same household and is defined as:

- A husband, wife and dependent children who reside together; or
- A parent or guardian and dependent children who reside together; or
- A husband and wife who reside together.

Following the ruling of the U.S. Supreme Court that the *Defense Against Marriage Act (DOMA)* was unconstitutional it is now the policy of DOL and SSAI both (a) to recognize all marriages (including same-sex marriages) that are lawfully entered in the state of celebration and (b) to recognize same-sex marriage even if the marriage is not recognized in the state where the married individual resides as long as the marriage could have been entered into in a state.

In addition, per DOL, SSAI requires its sponsors to recognize same-sex spouses within the definition of “family” above for income calculation/eligibility purposes.

For adult children (age 18 or older) who may be living with their parents, you would only include the adult child as part of the applicant’s family size if either (a) the child is claiming the parent(s) on his tax return as a dependent or (b) if the parent is claiming the child on their taxes as a dependent. You need to ask for the tax returns of both the applicant and the adult child in order to know.

A person with a disability may be treated as a “family of one” for income eligibility determination purposes but only if the applicant provides the required source documentation to validate their disability status. (Also see section 203-B Project Sponsor Responsible for Documenting Eligibility and see section 202-F SCSEP Family Size Form.)

C. Exception to Definition of Family

If the applicant is claimed as a dependent on the federal income tax return of another family member with whom they reside, then the family is defined as a group of two or more people related by birth, marriage or adoption and residing together; all such people (including related sub-family members) are considered as members of one family. Family is defined in section 204-B Definition of Family. There are several definitions of sub-family:

- **Sub-family.** A sub-family is a married couple with or without children, or one parent with one or more of their own never-married children less than 18 years old. A sub-family does not maintain its own household, but lives in the home of someone else.

- **Related sub-family.** A related sub-family is a married couple with or without children, or one parent with one or more of their never-married children less than 18 years old, living in a household and related to, but not including, the person or couple who maintains the household. One example of a related sub-family is a young married couple sharing the home of the husband's or wife's parents.
- **Unrelated sub-family.** An unrelated sub-family (formerly called a secondary family) is a married couple with or without children, or a single parent with one or more of their own never-married children under 18 years old living in a household. Unrelated sub-family members are not related to the householder. An unrelated sub-family may include such people as guests, partners, roommates or resident employees and their spouse and/or children. An unrelated sub-family is NOT included in the determination of income eligibility for SCSEP.

A person with a disability may be treated as a "family of one."

D. Method of Computing Income

Annual family income and the income for a single individual must be computed by one of two methods. The method which is more beneficial to the applicant is to be used. Income that is to be counted is described in section 204-E Income to Be Counted, and section 204-F Income Not to Be Counted lists income that must not be counted. The two methods of computing countable family income are the following:

1. **Income Computation Method One:** Compute the actual countable income for the 12 months preceding the date of application.
2. **Income Computation Method Two:** Compute the actual countable income for six months preceding the date of application and then multiply by two (or annualize).

For example, if an individual in a family of two people applies on July 1 with countable income of \$25,000 for the preceding 12 months – but only \$4,000 of that \$25,000 was countable in the six-month period before he or she applied – the individual would have an income of \$25,000 using Method One but only \$8,000 using Method Two (the \$4,000 counted for the six months preceding the date of application multiplied by 2).

In this example, Method Two should be used because it is more beneficial to the participant (because the SCSEP annual income limit for a family of two people is \$19,388, so the individual would not be income eligible if Method One were used).

E. Look-Back Period for Income Calculation

The look-back period for income eligibility ends on the date of application/recertification. This means that project staff looks back 6 or 12 months from the calendar date of participant's application/recertification to determine the amount of income received. For example, if project staff uses the 6 month income computation approach to recertify a participant on March 20, staff must include all income received from September 21 of the prior calendar year to March 20 of the current calendar year. If project staff uses the 12 month income computation approach, project staff must include all income received on March 21 from the prior calendar year to March 20 of the current calendar year.

F. Income to Be Counted (for the Applicant/Participant and Includable Family Members)

The following types of income must be counted when determining eligibility:

1. **Wages and Salary:** total money earnings received for work performed as an employee during the year (includes wages, salary, armed forces pay, commissions, tips, piece-rate payments and cash bonuses, all before deductions for such items as income tax, bonds, pensions, health insurance, FICA, union dues, etc.); and gross wages received by each member of the family who is counted in the family.
2. **Self-Employment Income:** Count the net money income (gross receipts minus operating expenses) from a business firm, farm, rent or other enterprise in which a person is engaged.
3. **Social Security:** For all applicants and persons counted in the family, count 75 percent of the gross Social Security (reduce the gross amount by 25 percent).
4. **Survivors' Benefits:** Count payments participants or applicants receive from survivors' or widows' pensions, estates, trusts, annuities or any other type of survivors' benefits, including private companies or unions, federal government (civil service), military, state or local governments, railroad retirement, workers' compensation, Black Lung payments, estates and trusts, annuities or paid-up insurance policies, and other survivors' payments. If the applicant/participant receives a Social Security Survivor's Benefit, you should treat this income like you do Social Security Retirement Income (see 204 F, #3 above) and include only 75% of the gross Social Security Survivor's Benefit.
5. **Pension or Retirement Income:** Count payments that participants or applicants receive from private companies or unions, federal government (civil service), military, state or local governments, railroad retirement, annuities or paid-up insurance policies, individual retirement accounts (IRAs), Keogh or 401(k) payments, or other retirement income. If a participant makes an early withdrawal and pays a penalty, then, this is not retirement income because the participant is not yet qualified to receive the pension payment. In this case, the funds are treated like withdrawals from a savings account which is excluded income (see 204G #15).
6. **Interest Income:** Count payments participants or applicants receive (or have credited to accounts) from bonds, Treasury notes, IRAs, certificates of deposit, interest-bearing savings and checking accounts and all other investments that pay interest.
7. **Dividends:** Count income that participants or applicants receive from stock holdings and mutual fund shares. Do not count capital gains from the sale of stock holdings as income.
8. **Rents, Royalties, Estates and Trusts:** Count net income participants and applicants receive from the rental of a house, store or other property, receipts from boarders or lodgers, net royalty income, and periodic payments from estate or trust funds.
9. **Educational Assistance:** Count Pell grants, other governmental educational assistance, any scholarships or grants, or financial assistance participants and applicants receive from employers, friends or relatives not residing in the participant's or applicant's household. Educational assistance refers to scholarships and grants, as well as cash assistance provided directly to the applicant by friends or relative outside the applicant's household. All loans/money borrowed is excluded income (see 204 G-15 below) as is all educational assistance to veterans (see 204 G-5 below).

10. Alimony: Count all periodic payments participants and applicants receive from ex-spouses. Alimony excludes one-time property settlements.
11. Financial Assistance from Outside the Household: Count periodic payments participants and applicants receive from non-household members. This type of assistance does not include gifts or sporadic assistance.
12. Other Income: Count all other payments participants and applicants receive regularly. Some examples are state programs such as military family allotments and income received from foreign government pensions.

G. Income Not to Be Counted (for Applicant/Participant and Includable Family Members)

The following types of income, goods or services cannot be counted in determining eligibility:

1. Supplemental Security Income (SSI). Do not count federal, state and local welfare agency payments to low-income people who are 65 years old and older or people of any age who are blind or have a disability.
2. Social Security Disability Insurance (SSDI): Do not count.
3. Unemployment Compensation: Do not count payments a participant or applicant receives from government unemployment agencies or private companies during periods of unemployment and any strike benefits received from union funds.
4. Social Security: Do not count 25% of the gross Social Security received by the applicant and/or persons counted as part of the family.
5. Payments from the Department of Veterans Affairs (VA): Do not count payments made to or on behalf of veterans or former members of the Armed Forces administered by the Department of Veterans Affairs, including Veterans Compensation, Veterans Pension, and payments for education and on-the-job training. Military retirement payments administered by the Department of Defense Finance and Accounting Service is includable income (see Section 204-F, #5 for more information).
6. Public Assistance or Welfare Payments: Do not count such cash public assistance payments as Aid to Families with Dependent Children (AFDC), Temporary Assistance to Needy Families (TANF), general assistance and emergency assistance received by or on behalf of the individual whose eligibility is being determined.
7. Disability Benefits: With the exception of disability survivors' benefits, do not count payments participants or applicants receive as a result of a health problem or disability. Do not count payments received from the following sources:
 - Workers' compensation;
 - Private companies or unions;
 - Federal government (civil service);
 - Military;
 - State or local governments;
 - Railroad retirement;
 - Accident or disability insurance;

- Black lung payments;
 - State temporary sickness; or
 - All disability payments, including SSDI.
8. Income from Title V wages, such as from SCSEP or other Employment and Training Programs.
 9. Child Support: Do not count child support payments or any other payments (i.e. Foster Care) that benefit the child including payments made by the government for the care of children such as Foster Care or adoption, grandparent's subsidies.
 10. Workers' Compensation: Do not count payments participants or applicants receive periodically from public or private insurance companies for injuries received at work. Count if payments are survivors' benefits.
 11. Certain Payments to Native Americans: Do not count the first \$2,000 of certain per capita fund distributions made to Native Americans pursuant to the Indian Claims Act, P.L. 93-134 and P.L. 97-458, Section 4.
 12. Payment to Certain Volunteers: Do not count payments or stipends to volunteers under the National Community Service Trust Act of 1993 or similar legislation, including payments to VISTA volunteers, Senior Companions and Foster Grandparents (programs funded by the Senior Companions of the Corporation for National Community Service).
 13. Sale of Property: Do not count capital gains people receive (or losses they incur) from the sale of property, including stocks, bonds, a house or a car (unless the person is engaged in the business of selling such property, in which case count the net proceeds as income from self-employment).
 14. Reverse mortgage payments: Do not count reverse mortgage payments that people receive; they are considered as similar to capital gains and, thus, are excluded for SCSEP eligibility purposes.
 15. Other Income: Do not count withdrawals from bank accounts, money borrowed or tax refunds. Do not count lottery winnings that are collected in one lump sum.
 16. Inheritances and Insurance Payments: Do not count lump-sum inheritances and insurance payments from accident, health, disability, life or casualty insurance policies.
 17. Disaster Unemployment Assistance: Do not count Disaster Unemployment Assistance received as a part of a National Emergency Grant.

H. Income Worksheet

Sponsors must use and retain a completed copy of an Income Worksheet for calculation of each participant's income eligibility, whether at initial enrollment, recertification or re-enrollment, and data validation or source documents reviewed for each calculation in each participant's file.

The SSAI Income Worksheet is available in this manual's Appendix II or on the partners' page of the SSAI's website at <http://seniorserviceamerica.org>.

I. Participants Must Receive Payment

Participants are considered fully enrolled when they have been assigned a community service assignment and have either (a) attended at least one hour of orientation or (b) provided at least one hour of community service work. Once an applicant has been deemed eligible and assigned to a host agency, the sponsor must pay wages for time spent in orientation, training, assessment, or in receiving any other service.

This requirement applies even if the participant has yet to start his or her community service assignment at the host agency.

J. SCSEP Wages Excluded from Federal Housing or Food Stamp Eligibility Determination

Participants in SCSEP may not have funds they receive from the program considered as income when being considered for participation in housing or food programs under the Food Stamp Act of 1977.