INCOME DETERMINATION

Documentation of Income: Proof of income must be obtained from the applicant and documented on the back of the Risk Factor/Flow Sheet at every certification appointment. The person collecting income data must initial the form; the person making the final eligibility determination must sign and date the form. See Operations Manual Policy 2.3 for details.

Changes in Income: Projects must disqualify a participant in the middle of a certification period if a reassessment of their income eligibility status results in changes which exceed the WIC guidelines. This may result from an increase in income and/or a decrease in family size. See Operations Manual for details.

Current Income versus Annual Income: Income eligibility must be based on the most current indicator of the family's financial status. See Operations Manual, Policy 2.3 for details.

DEFINITIONS:

INCOME: Gross cash income earned by any and all members of a family (economic unit) before deductions for income taxes, employees' social security taxes, insurance premiums, bonds, etc. Special hardship conditions cannot be applied to reduce the income level of an applicant (e.g. child support payments, alimony cannot be deducted from the supporting family's income).

FAMILY: Household or economic unit composed of a person or group of persons related or non-related who usually (although not necessarily) live together, and whose production of income and consumption of goods are related. See Operations Manual Policy 2.3 for details.

A child is usually counted in the family size of the parent or guardian with whom he/she lives.

If joint custody has been awarded, a child should be counted in the family size where he/she lives when income determination is made. The child may not be counted in the family size of both parents/guardians.

Children who are child support recipients should be counted only in the family where the child resides.

If a child in the family resides in a school or institution and the child's support is being paid for by the family, the child should be counted in the family size of that parent/guardian.

If the child is a foster child who is living with a family but who remains the legal responsibility of a welfare or other agency, the foster child is considered a family of one, and payments are considered the income.

If the child is adopted or the family has accepted legal responsibility for the child, the child is counted in the family size.

A child receiving Kinship Care is considered a family of one.

If a parent or family member is in prison, they should not be counted in the family size.

It is possible for two separate units to reside under the same roof. For example, roommates may share expenses but do not support each other; this could also include boyfriend/girlfriend. When an unmarried couple lives together as one economic unit, use the income of both persons and count both in the household size.

A minor may be considered a separate economic unit when living as a separate household without any economic support from other persons in the household.

If an applicant is residing in the home of her parents, she may be considered a separate economic unit; she may be receiving an income from W-2 or employment and essentially supporting herself and contributing toward the payment of expenses. See Policy 2.3 in the Operations Manual.

A pregnant woman must be assessed based on a family size increased by the number of expected births.

Local project staff will need to assess individual situations and use professional judgement to determine family size.

I. Income Includes:

- All money (gross cash income) a household receives in actual cash except income from federal programs listed in Operations Manual in Policy 2.3.
- Monetary compensation (before taxes) for services, including wages, salaries, commissions, or fees
- Net income from farm (Schedule F) and non-farm self-employment (after business deductions-Schedule C) plus other sources of income (interest, dividends, gains, pensions, social security benefits, etc.) OR use “This is your total income,” line 22 on the 1040 form 2003.
- Social Security benefits (including Supplemental Security Income (SSI) disability benefits)
- Dividends or interest on savings or bonds and income from estates, trusts or investments used to live on, or net rental income
- Public assistance payments (e.g., W-2, Kinship Care, TANF, foster care)
- Unemployment compensation, workers compensation, strike benefits from union funds
- Government civilian employee or military retirement or pensions or veterans payments
- Private pensions or annuities
- Alimony or child support payments
- Regular contributions from absent family members or persons not living in the household
- Net royalties
- Other cash income includes, but is not limited to:
  1. Cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources which are readily available to the family. If the family is dependent on these sources (with no current income from A-K) they should be considered the family's source of income
  2. Educational grants, scholarships, or work study earnings (excluding tuition, books, student loans, school supplies)
  3. Food allowances for military households living off base.
  4. CONUS COLA provided to military in high cost areas.

II. Income Does Not Include:

- The value of in-kind benefits (meaning any benefit which is of value but, which is not provided to the household in the form of cash money, i.e. housing).
- Cash allowance for military housing (either on- or off-base) and Family Subsistence Supplemental Allowance (through 9-30-06) See policy 2.3 for other military exclusions.
- Reimbursement of expenses incurred on the job, i.e., mileage, meals.
- Loans: bank, personal, educational, student loans (not grants).
- Federal or State Earned Income Tax Credit (EITC) payments are likely to be refunds to or offsets of taxes already paid out of gross income.
- National Flood Insurance Program payments shall not be counted as income.
- A $600 subsidy ("transitional assistance") provided by Medicare through the drug discount cards.
- Income or benefits received under certain Federal programs or acts which are excluded from consideration as income by any legislative prohibition. See Policy 2.3 in the Operations Manual.

Local project staff will need to assess individual situations and use professional judgment to determine income.