

**EMPLOYMENT ASSISTANCE
ISSUANCE PY 01-18**

Ed Rolle, Director

May 3, 2002

TO: Local Area Workforce Investment Areas and Arkansas Workforce Career Centers

SUBJECT: Inclusions and Exclusions for Family Income

1. **Purpose:** To provide state policy for determining included income and excluded income in computing "Family Income" for eligibility determinations for "Low-Income Individual" under Workforce Investment Act (WIA) Title I-B program activities.
2. **General Information:** In determining income for eligibility as a "Low-Income Individual," WIA at §101(25)(B) specifically excludes the following: unemployment compensation; child support payments; cash payments under a Federal, State, or local income-based public assistance program; and old-age survivor's benefits received under Section 202 of the Social Security. Local areas have asked for guidance for classifying other sources of income (included or excluded). The Department of Labor (DOL) has advised that the State has the responsibility for establishing such guidance. Accordingly, the definition below is to be used for family income determinations.

Family Income: Family income means all income actually received from all sources by all members of the family, at the time of application. Family size shall be the maximum number of family members at the time of application. When computing family income, income of a spouse and/or other family members shall be counted for the portion of the income at the time of the application that the person was actually a part of the family unit of the applicant.

Exclusions for Family Income

- Unemployment Compensation
- Child Support Payments
- Cash Payments under a Federal, State, or Local Income-Based Public Assistance Program, including TANF, Title XVI Supplemental Security Income (SSI) for the Aged, Blind, and Disabled of the Social Security Act, Emergency Assistance money payments, and non-federally-funded general assistance or general relief money payments.
- Old Age and Survivors Insurance (OASI) benefits received under Section 202 of the Social Security Act (42 U.S.C. 402).
- Financial Assistance under Title IV of the Higher Education Act, i.e., Pell Grants, Supplemental Education Opportunity Grants and Federal Work Study, PLUS, Stafford and Perkins loans (all loans are considered debt, and not income).

- Foster Care Child Payments
- Needs-Based Scholarship Assistance
- Loans
- Capital Gains
- Any assets drawn down as withdrawals from a bank, the sale of property, a house or a car.
- IRA withdrawals
- Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury.
- Non-cash benefits such as employer paid fringe benefits, food or housing received in lieu of wages, Medicare, Medicaid, Food Stamps, school meals, and housing assistance.
- Lump sum payments received as assets in the sale of a home, where the assets are to be reinvested in the purchase of a new home (consistent with IRS guidance).
- Any withdrawal from an Individual Development Account (IDA) for the purchase of a home, medical expenses or educational expenses.
- Allowances, earnings and payments to individual participating in any programs under WIA (except OJT) and allowances, earnings and payments made to individuals participating in other employment and training programs (except OJT and upgrading and retraining in these "other" programs).
- **One-time** unearned income such as, but not limited to: Payments received for a limited fixed-term under income programs and supplemental (private) unemployment plans, e.g., railroad unemployment insurance; Accident, health, and casualty insurance proceeds; Disability pensions and death payments; Fixed-term annuities; one-time awards and gifts; Fixed-term worker compensation awards; Terminal leave pay; Severance pay; Payments received under the Trade Readjustment Act of 1974; Black Lung payment received under the Benefit Reform Act of 1977; One-time income received in lieu of TANF cash assistance.
- Income earned while a veteran was on active military duty and certain other veterans' benefits (any amounts received under Chapters 11, 13, 30, 31, 35, and 36 of Title 38, U.S.C., Chapter 42, and any amounts received under Chapter 106 of Title 10, U.S.C.) such as, Compensation for service-connected disability or death; Vocational Rehabilitation; Educational Assistance, etc.

NOTE: When a federal statute specifically provides that income or payments received under such statute shall be excluded in determining eligibility for the level of benefits received under any other federal statute, such income or payments shall be excluded in WIA eligibility determination.

Inclusions for Family Income

- Monetary compensation for services, including wages, tips, salary, commissions, or fees before any deductions.
 - WIA OJT wage payments to participants.
 - Net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expense).
 - Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses).
 - Regular payments from Social Security Disability Insurance (Title II only), railroad retirement, strike benefits from union funds, workers compensation (private/public), and training stipends.
 - Alimony, Military family allotments, or other regular support from an absent family member or someone not living in the household.
 - Private pensions, government employee pensions (including military retirement pay).
 - Regular insurance or annuity payments.
 - College or university grants, fellowships, and assistantships.
 - Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts.
 - Net gambling or lottery winnings.
 - Agriculture crop stabilization payments.
 - Soil bank payments.
 - Milk diversion payments.
3. **Action Required**: Please ensure that this Issuance is provided to appropriate staff.
 4. **Inquiries**: Contact your Workforce Development Specialist.
 5. **Expiration Date**: Continuing.