

INCOME INCLUSIONS/EXCLUSIONS FOR

LOW INCOME DETERMINATION

Income <u>Included</u>	Income <u>Excluded</u>
Unemployment Insurance.	Financial assistance under Title IV of the Higher Education Act, i.e., Pell Grants.
Child Support payments (including foster care child payments).	Supplemental Educational Opportunity Grants and Federal Work Study.
Monetary compensation for services, including wages, tips, salary, commissions, or fees before any deductions.	Needs-based scholarship assistance.
Net receipts from non-farm self-employment (receipts for a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expense).	Loans.
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).	Veterans' benefits; Income earned while the veteran was on active military duty and certain other veterans' benefits, i.e., compensation for service-connected disability, compensation for service-connected death, vocational rehabilitation, and education assistance (Title 20 CFR Section 683.230).
Regular payments from railroad retirement, strike benefits from union funds, worker's compensation, and training stipends (e.g., wages from the California Conservation Corp).	Capital gains.

Alimony, military family allotments, or other regular support from an absent family member or someone not living in the household.	Any assets drawn down as withdrawals from a bank, the sale of property, a house or a car.
Private pensions, government employee pensions (including military retirement pay).	Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury.
Regular insurance or annuity payments (including state disability insurance).	Non-cash benefits such as employer paid or union-paid portion of health insurance or other fringe benefits, food or housing received in lieu of wages.
College or university scholarships (not needs-based), grants, fellowships, and assistantships.	The value of food and fuel produced and consumed on farms.
Net gambling or lottery winnings.	The imputed value of rent from owner occupied nonfarm or farm housing.
Severance payments.	Medicare, Medicaid, food stamps, school meals, and housing assistance.
Terminal leave pay.	Allowances, earnings and payments to individuals participating in programs under WIOA Title 1. (Reference Title 20 CFR Section 683.275[d]).
Social Security Disability Insurance payments and Social Security old age and survivors' insurance benefits.	When a federal statute excludes income received under that statute in determining eligibility for programs operated under other federal laws, such income is <i>excluded</i> in WIOA eligibility determination as well.

Calculating Income

Individuals normally receive income as salary, varying, or intermittent payments. Local areas may calculate an individual's income using the following methods:

1. Salary

Salary is income received without variation in gross pay from pay period to pay period. Salary information may be provided in a series of pay stubs or one, cumulative pay stub.

To determine an individual's gross income for the most recent six-month time period, multiply the individual's weekly gross pay by 26, bi-weekly pay by 13, bi-monthly pay by 12, or monthly pay by 6.

Example: Bi-weekly pay stubs indicate a gross amount of \$548.

$$\$548 \times 13 = \$7,124, \text{ the income for the most recent six-month time period}$$

To determine the individual's annual gross income, multiply their weekly gross pay by 52, bi-weekly pay by 26, bi-monthly pay by 24, or monthly pay by 12.

Example: Year-to-date earnings of \$16,812 with bi-monthly payments. There were 18 bi-monthly payments of \$934.

$$\$16,812 \div 18 = \$934, \text{ the bi-monthly payment amount}$$

$$\$934 \times 24 = \$22,416, \text{ the annual gross income}$$

2. Varying

When reported earnings vary from pay period to pay period, annualize the average of the earnings submitted. The earnings may be submitted on a number of pay stubs or on one cumulative pay stub.

Example: Six weekly pay stubs report the following gross earnings: \$534, \$475, \$398, \$534, \$498, and \$534.

$$\text{Add: } \$534 + \$475 + \$398 + \$534 + \$498 + \$534 = \$2,973$$

Divide: $\$2,973 \div 6 = \495.50 , the average gross weekly earnings

Multiply: $\$495.50 \times 52 = \$25,766$, the annual gross income

3. Intermittent

Earnings are varied and include periods of unemployment. With as much data as possible, determine the annual gross income by adding the reported earnings.