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TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) GUIDANCE MANUAL

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301.1 GENERAL PROVISIONS - The Code of Virginia, Section **63.2-505**, provides that the **"The Board shall adopt regulations governing the amount of public assistance persons receive under the provisions of this subtitle. In making such regulations, the Board shall consider significant differences in living costs in various counties and cities and, unless otherwise precluded by law, shall establish or approve such variations in monetary public assistance standards for shelter allowance on a regional or local basis, as may be appropriate.**

The amount of public assistance any person receives under the provisions of this subtitle shall be determined according to Board regulations with regard to (i) the property and income of the person and any support he receives from other sources, including from persons legally responsible for his support, and (ii) the average cost of providing public assistance statewide. It shall be sufficient to provide public assistance that, when added to all other income and support of the recipient (exclusive of that not to be taken into account as hereinafter provided), provides such person with a reasonable subsistence. In determining the income of and support available to a person, the amount of income required to be exempted by federal statute, or if the federal statute makes such exemption permissive, then such portion thereof as may be determined by the Board shall not be considered in determining the amount of assistance any person may receive under this subtitle."

302.1 DEFINITION OF THE TANF ASSISTANCE UNIT - The TANF assistance unit is composed of the individual or individuals who meet all categorical requirements and conditions of eligibility. The assistance payment will include the needs of all such individuals.

302.2 DEFINITION OF THE - **ELIGIBILITY DETERMINATION GROUP (EDG)** – For purposes of the **VaCMS**, the group of individuals whose income must be considered in determining the assistance unit's eligibility and **payment** amount is referred to as the **eligibility determination group**. This includes children and parents required to be in the assistance unit; essential persons; individuals whose income is subject to deeming; and, when assistance is requested, a caretaker-relative other than the parent. **In the VaCMS, on the TANF – EDG Summary screen, the participation status for individuals included in the EDG will be Eligible, Countable or Deemed.**

302.3 DEFINITION OF CARETAKER - In TANF, the caretaker is the natural or adoptive parent or other relative who is responsible for supervision and care of the needy child(ren).

There will be one caretaker included in an assistance unit, except when:

1. the natural or adoptive parent who is incapacitated has remarried, the spouse may be included; or

2. the household consists of a married couple who each have a child(ren) of their own; or

3. guidance at Section 302.8 A. regarding minor parents requires more than one caretaker; or

4. both natural or adoptive parents of at least one child are living in the home and the family is in financial need. Note: In households that include both natural parents and at least one child in common residing in the home, paternity must be established before the putative father can be included as a caretaker on the TANF **payment** (See Section 201.10 A.).

302.4 DEFINITION OF PAYEE - In TANF, the payee is the parent or other relative who is responsible for supervision and care of the needy child(ren) but who is not included in the assistance unit. A relative would be a payee unless he/she meets the criteria in 302.7.E.

In situations where the parent of the eligible child(ren) is in the home and included in the assistance unit, another relative may be designated as the payee for the case if the local agency has determined that the relative, not the parent, is exercising primary responsibility for the care and control of the child(ren). (Refer to Section 502.4.A.1.c. concerning designation of payees.) In such situations, the relative may be included in the assistance unit only if he/she meets the requirements of an essential person (EWB) listed in Section 302.6.

302.5 DEFINITION OF SIBLINGS - In TANF, siblings are two or more children with at least one natural or adoptive parent in common.

302.6 PERSONS ESSENTIAL TO WELL-BEING (EWB) - A needy individual, who is at least 18 years old, is living in the home, and who is providing services which are essential to the well-being of the child(ren) on which TANF eligibility is based can be included in the assistance unit. Such individuals must be ineligible for assistance in a federal category in their own right. '

A. Services which are considered essential are limited to:

1. Care for a disabled family member living in the home;

2. Provision of child care to enable the caretaker to:

a. Work outside of the home on a full-time basis (a minimum of 30 hours per week and earning at least minimum wage).

b. Participate in education or training full-time. With the exception of full-time high school attendance, participation must equal a minimum of 30 hours per week.

c. Participate in VIEW on a full-time basis as defined by the **program and** based on the specific VIEW assignment(s) and participation rate requirements. For job search/job readiness, EWB status based on the provision of child care will be limited to two payment months.

B. The client must request inclusion of an individual as an EWB. The EWB individual must be living in the same household as the assistance unit and must be providing an essential service which cannot be provided by any other individual in the household.

Note: The spouse of a caretaker who is not eligible for TANF assistance because he does not have an eligible child living in the home can be included in the assistance unit as an EWB if he provides an essential service and meets all other EWB criteria.

C. Eligibility for the EWB individual must be evaluated based on criteria at 302.7F and 302.8 which includes a requirement for citizenship or eligible alien status, and specifies that the individual be in need.

D. In the case of a disabled family member, the disability and the need for the EWB to be available on a substantially continuous basis (901.2) must be documented on a Statement of Required Presence of Caregiver form (032-03-0020) signed by a medical professional. A new Statement of Required Presence of Caregiver form must be completed annually, or at the end of the anticipated duration specified on the form, whichever occurs first.

If the disabled family member has been approved to receive Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), a new Statement of Required Presence of Caregiver form must be completed annually.

E. Each case in which an applicant/recipient requests inclusion of an individual as a EWB must be reviewed by the Eligibility Supervisor. The worker must document the **Case Narrative - Details** screen with the full name and worker number of the supervisor and the date the supervisor approved an individual for inclusion as an EWB.

Note: In the VaCMS, the EWB information is captured on the Client Demographics screen under "TANF Information." The worker must indicate that the EWB provides services essential to the well-being of someone in the household and the reason the EWB is needed.

F. EWB individuals are exempt from VIEW.

302.7 COMPOSITION OF THE TANF ASSISTANCE UNIT - The TANF assistance unit is required to include, when living together, the parent(s) and minor sibling(s) of a dependent child for whom assistance is requested. Therefore, each sibling living in the home of a dependent child must be evaluated to determine if he/she meets the categorical requirements listed in Section 201.1.A. This includes any sibling living in the home with both natural or adoptive parents who are also living in the home.

The TANF assistance unit will include the following individuals:

A. The natural or adoptive parent(s) who is living in the same home as the child for whom assistance is requested, unless otherwise indicated by **guidance** at 302.7.D.*

B. All blood related or adoptive siblings, including those emancipated by court order or marriage, who meet the categorical requirements of an eligible child, living in the same home as the child for whom assistance is requested.** Note: The spouse of the child emancipated by marriage cannot be living in the home for eligibility to exist.

When the entire case is ineligible: If the agency is unable to determine categorical eligibility or payment amount due to the inability or refusal of the parent or caretaker to provide information about an individual required to be a member of the assistance unit, the entire AU must be found ineligible.

When the case is eligible but an individual must be excluded: In general, a case may be approved even though a condition of eligibility has not been met by a required member of the assistance unit. Sections 302.7C – 307.7F list individuals whose needs are not included **in** the **payment**, including individuals excluded for failure to meet a condition of eligibility. Those individuals will be assumed to be required members of the assistance unit and the following will apply:

1. In determining need for the assistance unit, the individual will be excluded.

2. In determining the amount of payment for the assistance unit, the income of the individual will be included.

The individual will continue to be excluded and the income will continue to be considered available to the assistance unit until both categorical eligibility and the conditions of eligibility are met. When both requirements are met, the needs of the individual will be included in the assistance unit. (Refer to Section 401.2.B.2.c.)

Exceptions: The entire household is ineligible for assistance, and the application must be denied, when an individual fails to sign the VIEW Agreement of Personal Responsibility (APR) when required to do so as a **condition of eligibility at reapplication. (See 901.5C). Also, when a case has been closed for non-cooperation with DCSE, a new application must be denied unless good cause for the**

* 45 CFR 206.10(a)(1)(vii)(A)
** 45 CFR 206.10(a)(1)(vii)(B)

non-cooperation can be determined, the applicant has cooperated, or the needed information has been received from another source. (See 201.10I)

The caretaker/relative other than the parent may request exclusion from the assistance unit at any other time except when that person has received a lump sum. The caretaker/relative may request exclusion prior to actual receipt of the lump sum. See 305.4 C regarding treatment of a lump sum received by the caretaker/relative.

No person's needs will be included in more than one assistance unit, but a person receiving assistance under another program may be payee for person(s) receiving TANF. A person receiving TANF in one assistance unit as a caretaker may also be the payee for persons receiving TANF in another assistance unit. (See Section 401.1 for the requirements of a request for assistance.)

A recipient of SSI is not eligible for inclusion in the assistance unit. An SSI recipient is an individual who is entitled to SSI benefits regardless of whether the benefit is currently being received.

Note: In some situations, it may be difficult to determine if family members live together or live separately but in the same dwelling. For example, a mother and her two children may live in the downstairs portion of a home while her ex-husband, his wife and child live upstairs. In determining whether the mother and her two children constitute a separate assistance unit, a determination must first be made that two separate mailing addresses, for example apartments A and B, or 1st and 2nd floors, exist. If separate mailing addresses exist, and other eligibility criteria are met, the mother and her child can be considered a separate TANF AU. If separate mailing addresses do not exist, the agency can consider the family a separate AU only if the mother can verify that the portion of the house in which she lives has an entrance separate from that of the other residents, and, at a minimum, separate bedroom, bathroom, and kitchen facilities.

Individuals who must be excluded from the TANF assistance unit.

C. **Children who are** not to be included in the assistance unit.

1. A child who is receiving SSI;

2. A child who is an alien whose needs are met by an individual sponsor or who has been in the U.S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.*

3. A child whose SSN has not been provided or application for an SSN has not been made. See 201.8 for the exception regarding a newborn child.

4. A child who receives an adoption assistance maintenance payment. **(Note: If adding the child and the adoption assistance maintenance payment will increase the TANF benefit amount, the child and the maintenance payment must be added.)***

5. A child who receives a foster care maintenance payment or **a child** whose needs are included in the foster care maintenance payment for his parent.*

6. A child whose citizenship or alien status has not been declared in writing according to Section 201.7 C.

7. A child subject to the family cap provision. (201.12)

8. A child not in compliance with the compulsory school attendance requirement. (201.3)

9. A child convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.**

10. A child fleeing to avoid prosecution or confinement or in violation of probation or parole.**

11. A child who is in a VIEW period of ineligibility.

12 A child whose caretaker is in a period of ineligibility due to the receipt of a diversionary assistance payment.

D. Parents who are not to be included in the assistance unit:

1. The parent(s), of an eligible TANF child(ren), who is receiving SSI and/or an Auxiliary Grant.

2. The parent who is not (1) a U. S. citizen or (2) an eligible alien.***

3. A parent who receives an adoption assistance maintenance payment on his own behalf up to age 21. Exception: A parent who receives an adoption assistance maintenance payment must be excluded when adding that parent to the assistance unit and counting the maintenance payment reduces the TANF benefit. However, that parent must be included in the assistance unit when the benefit will be increased by adding that parent and his income.***

* 45 CFR 233.51
** Public Law 104-193
*** Public Law 101-508 (OBRA 1990)

4. The parent who refuses to cooperate in identifying the noncustodial parent, establishing paternity, or obtaining support by failing to comply with any of the requirements defined in 201.10. This exception applies until compliance with the requirements of cooperation in 201.10 is met.

5. The parent who is a foster care child.

6. The parent whose SSN has not been provided or application for an SSN has not been made.

7. The parent who is an alien whose needs are met by the individual sponsor.

8. The parent who is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.*

9. The parent who is found to have committed an IPV and disqualified according to Section 102.3.

10. The parent whose citizenship or alien status has not been declared in writing according to Section 201.7.C.

11. The parent whose needs are met by her spouse, the stepparent of the eligible children, living in the home.

12. The minor parent not in compliance with the compulsory school attendance requirement in Section 201.3.

13. The parent convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or SNAP benefits in two or more states and it is within ten years of the date the individual was convicted.**

14. The parent convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.**

15. The parent that failed to report to the local agency in accordance with Section 401.2.B.2.a.3 after it became clear that the minor child would be absent from the home for 60 consecutive days.

16. The parent that is fleeing to avoid prosecution or confinement or that is in violation of probation or parole.**

17. **The putative father except in the following situations:**

    - **when a court has ruled that a legal father is not the father of the child and the child's paternity has been established by DCSE, or**

* 45 CFR 233.51
** Personal Responsibility and Work Opportunity Reconciliation Act of 1996

- **when a court has ruled that a legal father is not the father of the child and both the putative father and the child's mother have signed an Acknowledgement of Paternity.** See Section 201.10A.

E. A caretaker/relative (other than the parent) who requests assistance is not included when:

1. He is not in need.

2. He is receiving SSI and/or an Auxiliary Grant.

3. He is not (1) a U. S. citizen or (2) an eligible alien.*

4. His needs are met by a spouse living in the home.

5. He refuses to cooperate in identifying the parents, establishing paternity, or obtaining support by failing to comply with any of the requirements defined in 201.10. This exception applies until compliance with the requirements of cooperation of 201.10 is met.

6. He is ineligible for **one month** based on receipt of a lump sum. (See 305.4.C.)

7. The caretaker/relative's SSN has not been provided or application for an SSN has not been provided.

8. He is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.**

9. He is found to have committed an IPV and is disqualified according to Section 102.3.

10. His citizenship or alien status has not been declared in writing according to Section 201.7.C.

11. The caretaker/relative is convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or SNAP benefits in two or more states and it is within ten years of the date the individual was convicted.*

12. The caretaker/relative is convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.*

13. The caretaker/relative failed to report to the local agency by the **10th of the following month** after it became clear that the minor child would be absent from the home for 60 consecutive days. **See Section 305.1.E.3.a.**

* Personal Responsibility and Work Opportunity Reconciliation Act of 1996
** 45 CFR 233.51

14. The caretaker/relative that is fleeing to avoid prosecution or confinement or that is in violation of probation or parole.*

Note: The spouse of the caretaker/relative cannot be included in the assistance unit as second caretaker unless the spouse is the parent of an eligible child residing in the home.

F. **An individual** for whom assistance is requested on the basis of providing services essential to the child's well-being (EWB) **is** not included when:

1. He is not providing a service identified in Section 302.5.

2. He is not in need.

3. He is receiving SSI and/or an Auxiliary Grant.

4. He is not (1) a U. S. citizen or (2) an eligible alien.*

5. The EWB's SSN has not been provided or application has not been made for such SSN.**

6. He is ineligible for **one month** based on receipt of a lump sum. (See 305.4 C)

7. He is an alien who has been in the U. S. less than three years and is sponsored by an agency/organization, unless it can be documented that the agency/organization no longer exists or the agency/organization provides a statement that they are financially unable to support the alien.***

8. He is eligible for assistance in a federal category.

9. He is found to have committed an IPV and is disqualified according to Section 102.3.

10. His citizenship or alien status has not been declared in writing according to Section 201.7.C.

11. He is not in compliance with the compulsory school attendance requirement. Refer to Section 201.3.

12. The EWB is convicted in state or federal court of fraudulently misrepresenting his address to receive TANF, Medicaid, or SNAP benefits in two or more states and it is within ten years of the date the individual was convicted.*

* Personal Responsibility and Work Opportunity Reconciliation Act of 1996
** 45 CFR 205.52
*** 45 CFR 233.51

13. The EWB is convicted in state or federal court of a felony offense for possession, use, or distribution of a controlled substance for conduct occurring after 8/22/96.*

14. The EWB is fleeing to avoid prosecution or confinement or is in violation of probation or parole.*

G. In Emergency Assistance - The assistance unit includes:

1. In cases of natural disaster or fire, any member of the child's family living in the home and other nonrelated member of the household.

2. In cases of total loss of earnings, those persons who are living in the home related to the child by birth, marriage, or adoption, provided they meet the citizenship or alienage requirements.

302.8 FORMING THE COMPLEX ASSISTANCE UNIT - The most common type of assistance unit consists of one caretaker/relative and child(ren) living in a household. The following guidelines have been established to aid in determining who shall be included in an assistance unit when the household contains complex family situations:

A. Minor Parent(s) - A minor parent is an individual under 18 years of age who is the natural parent of a child. A senior parent is a parent of the minor parent. Minor parents must meet school attendance requirements in order to have their needs included in the **payment**.

An unmarried minor parent, for purposes of TANF **guidance**, is a minor who is single, separated, or divorced. A married minor parent is a minor who is married and living with his/her spouse.

*Personal Responsibility and Work Opportunity Reconciliation Act of 1996

See Section 201.10 and 201.10.C.2. regarding cooperation with DCSE, Section 901.2 regarding the VIEW exemption criterion of caring for a child under 12 months of age and Section 401.1D regarding who must complete the application in a minor caretaker household.

When assistance is requested for the child of a minor parent, the minor parent must also be included in the assistance unit **unless the minor parent must be excluded based on not meeting the 'in loco parentis' requirement.** (Note: the child of a minor parent does not have to be included in the assistance unit if assistance is requested only for the minor parent and siblings of the minor parent, if any).

When the minor parent and her child are the only children in the assistance unit, the case must be closed effective the month following the month the minor parent turns 18. (Exception: If the minor parent turns 18 on the first of the month, the case must be closed for the birthday month.) The 18 year-old may then apply for assistance for herself and her child, and, if approved, will be the caretaker on the new case and the TANF benefits will be issued in her name.

An assistance unit in which the minor parent is included as the only child on the case, but which does not include the minor parent's child, will be closed effective the month following the month the minor parent turns 18 (unless the case must be closed for the birthday month because the minor parent turns 18 on the first day of the month). Exception: If the minor parent is 18 but not yet 19 and is a full-time student attending a secondary school or vocational/technical school of secondary equivalency and is meeting enrollment and attendance requirements as determined by the school. (See 201.2)

1. Unmarried Minor Parent Living with Needy Parent(s) or Other Relative(s)

    a. Minor Parent Living With One Needy Parent or Other Relative

        1. Cases in which the minor parent and her child live with a needy senior parent (including a step-parent), or other relative, will be formed with the needy parent or other relative as caretaker, and the minor and her child as children. The TANF payment will be in the name of the senior parent or other caretaker relative. Any siblings who have applied for or are receiving assistance will be part of the same assistance unit.

        2. Cases in which assistance is requested for the minor parent, but not for the minor parent's child, and the senior parent (including a step-parent) or other relative is needy, will be formed with the senior parent or other relative as the caretaker and the minor parent as a child. The minor's child does not have to be included in the assistance unit. The TANF payment will be in the name of the senior parent or other relative. Any siblings of the minor parent who have applied for or are receiving assistance will be part of the same assistance unit.

3. When assistance is requested for the minor's child, but not for the minor parent, and the minor parent is living in the home, both must be included in the assistance unit. The case will be formed with the needy senior parent (including step-parent) or other relative as caretaker and the minor and minor's child as children. The TANF benefits will be in the name of the senior parent or other relative. Any siblings of the minor parent who have applied for or are receiving assistance will be part of the same assistance unit.

b. Minor Parent Living With Both Needy Parents

When assistance is requested for an unmarried minor parent and the minor's child, and both senior parents are in the household and are needy, **the case will be formed** with both needy senior parents as caretakers and both the unmarried minor parent and the minor's child as children. The TANF benefits will be in the name of one of the senior parents. If the second senior parent is a step-parent, he/she can be included in the assistance unit only when he/she is the parent of an eligible child residing in the home.

Note: If the natural senior parent is disabled, a step-parent may be included in the home if he/she meets EWB criteria (and he/she is not the parent of an eligible child residing in the home).

c. Minor Parent Living With Needy Relative and Relative's Spouse

When assistance is requested for an unmarried minor parent and the minor's child living with a relative and relative's spouse, and both the relative and spouse are needy**, the case will be formed** with the needy relative as the caretaker. The spouse of the needy relative cannot be included as a **caretaker relative**, but can be included as an EWB if he/she meets EWB criteria. The TANF check will be in the name of the caretaker relative.

2. Unmarried Minor Parent Living with Parent(s) or Other Relative(s) Who is Not Needy or is Not Requesting Assistance

a. Minor Parent Living with Parent Who is Not Needy or is Not Requesting Assistance

When assistance is requested for an unmarried minor parent and the minor's child, and the senior parent is not needy or does not request assistance, **the case will be formed** with the senior parent as an excluded caretaker and both the minor parent and the minor's child as children. The TANF benefits will be in the name of the excluded senior parent. A senior parent cannot be treated as an excluded adult if any siblings of the minor parent have applied for or are receiving assistance.

b. Minor Parent Living with a Relative Who is Not Needy or Who is Not Requesting Assistance

When assistance is requested for an unmarried minor parent and the minor's child, and the relative is not needy or does not request assistance, form the case with the relative as a caretaker not requesting assistance. The minor parent will be included as a child. The case will be formed with the relative as the protective payee, the minor parent as a child, and the minor's child as a child. The TANF benefits will be in the name of the protective payee.

3. Unmarried Minor Parent Living with a Person Standing In Loco Parentis (See Definitions of *in loco parentis* at 201.5A and 201.5D).

When assistance is requested for an unmarried minor parent and the minor's child by a person standing in loco parentis, the person standing in loco parentis (i.e., will not be part of the assistance unit. **On the Relationship – Details screen in the VaCMS, the box under the "In Loco Parentis (TANF)" column for the individual standing in loco parentis for the minor parent must be checked.** The TANF benefits will be issued in the name of the protective payee, the person standing in loco parentis.

4. Married Minor Parents

A married minor parent is a minor who is married and living with his/her spouse. A married minor parent living with a spouse is not eligible for assistance as a minor caretaker. If the minor parent and spouse are eligible for assistance, the case will be established as a regular TANF or TANF-UP case.

Note: If a married minor parent, spouse, and child are living with the parent of the minor parent, that parent's income is not counted when determining the eligibility of the minor parent's TANF or TANF-UP household.

B. Households with Multiple Groups of Children - A group of children can be a single child, or natural or adoptive siblings, or other children in a household. When the household consists of more than one group of children, the determination of which children will comprise one assistance unit is based on legal responsibility. A natural or adoptive parent is the only person who has legal responsibility for a child.

Children for whom the applicant has legal responsibility will make up one assistance unit. All other children in the home for whom assistance is requested will make up a second assistance unit. If the applicant does not have legal responsibility for any of the children, there will be only one assistance unit. (Exception: While a senior parent has legal responsibility for the minor parent, a household consisting of a needy senior parent, a minor parent, and the minor parent's child will make up one assistance unit. If the needy senior parent requests assistance for siblings of the minor caretaker, those children, if eligible, will be included in the same assistance unit).

When the household consists of a married couple who each have a child(ren) of their own by a previous relationship and both parents request assistance for their child(ren), there will be one assistance unit with two caretakers. In the event there is a child(ren) born to the union of this couple, that child(ren) must be included in the assistance unit.

When a household consists of **a couple** cohabiting, each who have a child(ren) by previous relationships, there will be two separate assistance units. Should they have a child together, for whom paternity has been established **or an adoption has been finalized**, the child must be included in the assistance unit. The units must be merged as the new child is a sibling to both sets of children.

Note: When the woman is married to another man at the time of this child's birth, both of the men will be referred to DCSE. The man to whom she **is** married is the legal father and is considered the child's father until a court has determined that he is not. After the court has excluded the husband as the father, DCSE can proceed to determine the paternity status of the man named by the mother. The units must not be merged until paternity has been established by the court for the child in common.

When the household consists of a caretaker, his/her child(ren), and a child who is biologically related to the caretaker but has been adopted by someone other than the caretaker, there will be two separate assistance units. In order for the caretaker to receive assistance for the child who has been adopted, the child's adoptive parents cannot be in the home.

The requirement in 302.7 that all siblings of a child for whom assistance is requested must be included in the assistance unit applies to the multiple group households also.

Example: A grandmother has two grandchildren who are siblings and a niece living with her. She states she needs assistance for one of the grandchildren. Because the children are siblings, however, application must be made for both of them. The niece is not required to be part of the assistance unit.

If the grandmother requests assistance for the niece, however, the niece will be included in the same AU provided she meets the eligibility requirements. If the niece has income, that income will be counted in determining eligibility for the entire TANF AU.

Only one AU can be established for the two groups of children because the grandmother does not have legal responsibility for any of the children.

303 – RESOURCES AFFECTING ELIGIBILITY – Repealed effective December 1, 2003.

304.1 STANDARDS OF ASSISTANCE - The State Board has established standards of assistance*, based on the size of the assistance unit, to be used in TANF cash payment cases.

Because of wide variation in shelter cost within the State, **two** groups of standards have been established reflecting this variation. Appendix 1 to Section 304 lists the localities in the State according to the group in which they fall.

The monthly standards of assistance, based on the number of eligible persons in the assistance unit and the locality group in which the assistance unit resides, are shown in Appendix 2 to Section 304.

The appropriate standard of assistance, less all countable income of the assistance unit, as specified in Section 305, is the amount of the monthly cash payment for an otherwise eligible assistance unit, except that the State Board has established a maximum payment. The maximum reimbursable payment for each locality group is shown in Appendix 2 to Section 304. Any locality wishing to meet the full budgetary deficiency, when this is in excess of the maximum reimbursable payment, may do so provided (a) the deficiency is computed on the basis of established standards, (b) the excess is paid from local funds and (c) the full deficiency is met in all TANF cases in the locality.

304.2 TOTAL ALLOWABLE INDIVIDUAL NEED - When it is necessary to determine whether one individual included in the TANF assistance unit is in need, the total amount allowed for his needs must be identified. This amount is his pro rata share of the appropriate standard of assistance for the assistance unit. The same procedure is used to determine whether or not a caretaker-relative other than the parent or an essential (EWB) person living in the home is in need and eligible for inclusion in the assistance unit. Once the caretaker relative other than the parent is included in the assistance unit, he may continue to be eligible for TANF as long as his countable income (gross income less a standard deduction) is less than the current poverty level for one person. If his countable income exceeds the current poverty level for one person, he must be removed from the assistance unit.

When an individual is removed from the assistance unit, the TANF **payment** is recomputed on the basis of the standard of assistance specified for the number of persons remaining in the unit.

* Code of Virginia, Section **63.2-505**

304.3 MEDICAL EXAMS FOR TANF/VIEW RECIPIENTS – In some situations, it may be necessary to have a medical exam completed in order to determine if a client should be exempted from VIEW, or to assess the client's ability to work or participate in the program. The Medical Evaluation (form 032-03-0654) is used to secure this information. The medical examination must have been made no more than 90 days prior to the date the Medical Evaluation form was signed.

The Medical Evaluation form can be completed by a medical doctor, including a psychiatrist, or doctor of osteopathy, or by a licensed physician's assistant or nurse practitioner working under the auspices of a medical doctor or doctor of osteopathy. The form is to be completed by a medical professional with thorough knowledge of the condition(s) that are believed to limit or prohibit the client's ability to work or participate in VIEW. Typically, this is the doctor or other medical professional who is currently treating the client for the condition. If, however, in the opinion of the agency, the client's condition is such that it should be evaluated by a specialist, then the specialist should make the evaluation and complete and sign the form.

Medical exams necessary to determine exemption status for VIEW or to assess a VIEW participant's ability to work or participate in the program will be arranged through Medicaid when possible. When Medicaid coverage does not exist, the medical exam can be paid for with VIEW funds. The agency will pay for the first medical exam; the agency may pay for additional exams, but is not required to do so.

The agency may choose to request and pay for a second evaluation from a medical professional whenever the first evaluation is deemed by the agency to be inadequate to determine the client's exemption status, or ability to work or participate, or is otherwise questionable.

304.4 – TANF CHILD SUPPPORT SUPPLEMENT – The 2016 General Assembly appropriated funds to create the TANF Child Support Supplement.* TANF assistance units that include two or more eligible children, and whose TANF benefit is $10 or more, will be entitled to a TANF Child Support Supplement when more than $100 in support is collected. TANF assistance units that include only one child are not eligible.

The TANF Child Support Supplement is separate from the disregard payment and will be paid to eligible assistance units when current collected support exceeds the maximum disregard amount of $100. The TANF Child Support Supplement can range from $1 to $100, but cannot exceed $100.

TANF Child Support Supplement payments are issued in the month following the month support is collected and are issued as a payment separate from the TANF payment and the disregard payment. The payment method will be the same as for the ongoing TANF benefit.

An assistance unit may receive a TANF Child Support Supplement payment in a suspended month, in a month in which no TANF payment was made, or in the month following case closure, based on support collected the previous month.

Example 1: Current collected support for Ms. T.'s case in August totaled $105. She received the maximum disregard payment of $100 for that month. In September, because Ms. T's case met the criteria for eligibility, she received a TANF Child Support Supplement of $5 based on August current collected support.

Example 2: Current collected support for Ms. B.'s case in September totaled $250. She received the maximum disregard payment of $100 for that month. Because Ms. B.'s case met the eligibility criteria, she received the maximum TANF Child Support Supplement of $100 in October.

Example 3: Current collected support for Mr. G.'s case in January was $200. He received the maximum disregard for that month. On January 19th, the worker took action to suspend the February payment due to a VIEW sanction. Because Mr. G.'s case met the eligibility criteria, he received the maximum TANF Child Support Supplement of $100 in February even though his TANF case was suspended for that month.

Information about the TANF Child Support Supplement will be provided to the customer in the TANF Notice of Action at initial application, reapplication, in conjunction with changes, and at renewal. When the appropriated funding for the TANF Child Support Supplement is exhausted, the payment will end for the fiscal year. The VaCMS will generate a Notice of Action advising eligible TANF assistance units that TANF Child Support Supplement payments will no longer be made.

***Appropriations Act of 2016**

GROUPING OF LOCALITIES

GROUP II

Counties

Accomack
Albemarle
Alleghany
Amelia
Amherst
Appomattox
Bath
Bedford
Bland
Botetourt
Brunswick
Buchanan
Buckingham
Campbell
Carroll
Charles City
Charlotte
Chesterfield
Clarke
Craig
Culpeper
Cumberland
Dickenson
Dinwiddie
Essex
Floyd
Fluvanna
Franklin
Frederick
Giles
Gloucester
Goochland
Grayson
Greene
Greensville
Halifax
Hanover
Henrico
Highland
Isle of Wright
King and Queen Kin
William
Lancaster
Lee
Loudoun
Louisa
Lunenburg
Madison
Mathews
Mecklenburg
Middlesex
Nelson
New Kent Kent
Northampton
Northumberland
Nottoway
Orange
Page
Patrick
Pittsylvania
Powhatan
Prince Edward
Prince George
Pulaski
Rappahannock
Richmond County
Roanoke
Rockingham
Rockbridge
Russell
Scott
Shenandoah Smyth

Southampton
Surry
Sussex
Tazewell
Warren
Washington
Westmoreland
Wise
Wythe

Cities
Bristol
Buena Vista
Chesapeake
Clifton Forge

GROUP II

Cities, cont.

Covington
Danville
Emporia
Franklin
Galax
Harrisonburg
Hopewell
Lexington
Lynchburg
Martinsville
Norfolk
Norton
Petersburg
Portsmouth
Radford
Richmond
Roanoke
Suffolk
Virginia Beach
Williamsburg
Winchester

GROUP III

Counties

Arlington
Augusta
Caroline
Fairfax
Fauquier
James City
King George
Montgomery
Prince William
Spotsylvania
Stafford
York

Cities

Alexandria
Charlottesville
Colonial Heights
Falls Church
Fredericksburg
Hampton
Manassas
Manassas Park
Newport News
Poquoson
Staunton
Waynesboro

Note: Effective 7/1/17, Group I was eliminated; the localities were moved to Group II.

ASSISTANCE STANDARDS

GROUP II

Size of Assistance Unit	Standards of Assistance
1	**$197**
2	**289**
3	**363**
4	**434**
5	**513**
6	**573**
7	**640**
8	**715**
9	**779**
10	**848**
Each person above 10	**$71**

MAXIMUM REIMBURSABLE PAYMENT **$544**

ASSISTANCE STANDARDS

GROUP III

Size of Assistance Unit	Standards of Assistance
1	**$275**
2	**367**
3	**442**
4	**513**
5	**610**
6	**667**
7	**737**
8	**812**
9	**876**
10	**944**
Each person above 10	**$71**

MAXIMUM REIMBURSABLE PAYMENT **$648**

305.1 INCOME ELIGIBILITY

In order to meet the income requirements for the TANF Program, **compare** the assistance unit's countable income must be screened **to the maximum income amount** (prospective determination) to determine the assistance unit's need. Once the assistance unit is determined to be in need, calculate the TANF payment to determine if eligibility exists for the assistance unit. **To determine the anticipated income**, **use** one of the method's listed in Section 305.1.B.2.a.

A. Prospective Determinations (Screening at **Maximum Income Amount** and Standard of Assistance)

Income eligibility for all cases is based on a prospective determination which anticipates the total gross countable income of the assistance unit. The total gross countable income of the unit is screened at **the maximum income amount**. (Refer to Maximum Income Chart, Appendix 1 to Section 305.) If the income of the assistance unit is equal to or less than the maximum income level, income is screened at the standard of assistance, allowing income disregards when appropriate.

A prospective determination must be conducted on applications/reapplications and ongoing cases whenever a change becomes known to the agency.

The gross income anticipated to be received during the month following the month the change became known to the agency must be screened at both **the maximum income amount** and the standard of assistance to determine if eligibility for the next payment exists. If the prospective determination of anticipated income represents less **or** more than a full month's income, the second month following the month the change became known to the agency must also be screened prospectively at both **the maximum income amount** and the standard of assistance.

1. **Maximum Income** Screening

Total gross countable income for this purpose includes all gross earned income of both adults and children in the unit; unearned income, such as net countable support, benefits, etc.; income of an excluded individual required to be in the unit; and any income deemed available to the assistance unit. The following income is disregarded in the **maximum income screening**:

a. all income specifically disregarded in 305.4.A;

b. for TANF-UP, unemployment compensation benefits;

c. When a household consists of a couple cohabiting, each who have a child(ren) by previous relationships, there will be two separate assistance units. Should they have a child together, for whom paternity has been established or an adoption has been finalized, the child must be included in the assistance unit. The units must be merged as the new child is a sibling to both sets of children. If the income of the assistance unit exceeds the maximum allowable income, the case is ineligible for a payment.

Screening at the Standard of Assistance

The following procedures are applicable to the standard of assistance screening

a. Applications, Including Persons Being Added to an Existing Assistance Unit

Once the total gross countable income of the assistance unit is determined to be less than or equal to maximum allowable income, income must then be screened at the standard of assistance in order to allow earned income disregards where applicable.

b. All AUs will be allowed the following deductions from earned income:

The standard deduction*, the same amount used in the standard deduction for the SNAP program, and 20% of the remainder is deducted from the gross earnings.** (Refer to Section 305, Appendix 3, Step 2, and to Section 305.3.B.)

Assistance Unit	Standard Deduction
1-3 members	**$167**
4 members	**$178**
5 members	**$209**
6 or more members	**$240**

(Refer to Section 305, Appendix 3, Step 2, and to Section 305.3.B.)

c. Ongoing Cases

Once the total gross countable income of the assistance unit is determined to be less than or equal to the maximum allowable income, income must then be screened at the standard of assistance in order to allow earned income disregards where applicable.

d. The following income is disregarded when income is screened at the standard of assistance:

1) all income specifically disregarded in 305.4.A;

*45 CFR 233.20(a)(3)(xiii)
**22 VAC 40-295-60

2) the earned income of a child (under age 18 or, if age 18, but not yet 19, **is a full-time student attending a secondary school or vocational/technical school of secondary equivalency and is meeting the enrollment and attendance requirements as determined by the local school board).**

If the assistance unit has income below the standard of assistance, the payment is calculated based on prospective budgeting.

B. Prospective Budgeting*

1. Budgeting Concept

In order to be eligible for TANF, a case must be eligible under income requirements. The amount of the payment which an assistance unit is eligible to receive will be calculated based on prospective budgeting.

Prospective budgeting is calculating the TANF payment using the anticipated income of the members of the assistance unit and the excluded persons required to be included in the assistance unit in the budget month. For purposes of determining the amount of the TANF payment and the amount of income to be counted, the payment month and budget month are the same.*

2. Income To Be Counted In Calculating the Payment

The payment is to be calculated using the methods listed below. The assistance unit's circumstances must be evaluated to determine which method(s) will provide the amount of income anticipated (best estimate) to be received in the payment month.

For purposes of determining the amount of income to be counted in calculating the payment, anticipated income means any income the applicant/recipient and local agency are reasonably certain will be received during the payment month. If the amount of income or when it will be received is uncertain, that portion of the assistance unit's income that is uncertain shall not be counted by the local agency.

"Reasonably certain" means that the following information is known:

- who the income will come from,
- in what month it will be received, and
- how much it will be (i.e., rate of pay, number of hours, frequency and payment cycle.

* 45 CFR 233.33

a. Methods Used To Anticipate the Income

For applications and reapplications, the income generally to be counted is the income verified for the calendar month prior to the month of application. For redeterminations, the income generally to be counted is the income verified for the month prior to the month of review. However, if the income for the prior month is not the amount anticipated to be received in the payment month, the Eligibility Worker must work with the assistance unit to determine how the correct amount can be anticipated. For changes, the Eligibility Worker must work with the assistance unit to determine the correct amount of income that can be anticipated for the payment month.

The following methods are to be used to anticipate the assistance unit's income when the prior month's income does not reflect the income anticipated for the payment month:

1) The Eligibility Worker shall take into account the income already received by the assistance unit during the application process and any anticipated income the assistance unit and local agency are reasonably certain will be received during the payment month. During the approval process, when calculating the **payment** amount for prior months, the Eligibility Worker shall use converted income which has been received by the assistance unit, to determine the correct amount of the **payment**, unless the income is for a partial month. If the household received less than a full month's pay, or if less than a full month's pay is to be counted, the exact amount of income is to be used.

2) If income fluctuates so much that the prior calendar month cannot by itself provide an accurate indication of anticipated income, a longer period of past time may be used if it will provide a more accurate indication of fluctuations in future income. If income is ongoing, anticipate by averaging income from the past pay periods.

   The Eligibility Worker may average income received in any number of pay periods immediately prior to application/review, using pay periods still appropriate to the customer's circumstances. The worker should select only the pay periods that will yield the most realistic estimate of income to be received.

If the assistance unit's income fluctuates seasonally, it may be appropriate to use the most recent season, rather than the calendar month prior to the month of application, as an indicator of future income. However, the Eligibility Worker should use caution in using income from a past season as an indicator of income now, since in many cases of seasonally fluctuating in-come, the income also fluctuates from one season in one year to the same season in the next year.

3) For migrant and seasonal farm worker assistance units, the judgment of the Eligibility Worker that income is reasonably certain to be received is to be based on formal or informal commitments for work for individual assistance units, rather than on the general availability of work in an area. Also, income should not be based on an assumption of optimum weather or field conditions.

4) Profit from the sale of livestock or cash crops, such as tobacco or peanuts, or from small businesses, such as but not limited to, vending stands, home beauty shops, or small grocery stores, is prorated on an annual basis or over the number of months in which the income is earned, whichever is appropriate. Federal farm subsidies are prorated over a 12- month period.

Guaranteed salaries paid under contract will be prorated over the period of the contract even though the employee elects to receive such payments in fewer months than are covered by the contract. When the contract earnings will be received monthly over a period longer than that of the contract, the earnings must be prorated over the number of months the income is anticipated to be received. Contract earnings are defined in 305.3.

Examples:

(a) A contract period is September **2018** - August **2019** (12 months). The customer chooses to receive the contract income over a 10-month period. The contract amount is divided by the contract period of 12 months to arrive at the monthly gross income.

(b) A contract period is November **2018** - June **2019** (8 months). The customer chooses to receive the contract income over the eight-month period. The contract amount is divided by eight months to arrive at the monthly gross income.

(c) A contract period is September **2018** - August **2019** (12 months). The customer receives the contract income over the 12-month period. The contract amount is divided by 12 months to arrive at the monthly gross income.

(d) A contract period is September **2018** - January **2019** (5 months). The customer receives the contract income monthly over a 12-month period. The contract amount is divided by the number of months in which the income is received (12).

In those cases where a contract specifies a set amount over the contract period, plus additional monies of an uncertain amount if additional work is available and done, only the base contract is prorated. Additional monies earned over and above the base contract are counted as income when they can be anticipated.

In those cases where a contract calls for no pay for those days not worked, the salary for those days should not be counted if it can be anticipated at the time that the prospective determination is made that certain days will be missed. Otherwise, the income calculation is to be based on the maximum salary. The client may then inform the local agency as days are missed. If the client reports a decrease in income within the month of the decrease, a supplemental payment is to be issued.

If the contract amount changes during the contract period, adjust the remaining months of the contract period. To determine the new monthly income amount, divide the new contract amount by the number of months used in the original calculation.

Example 1: A school bus driver's contract states that she will receive $1250 for the year, but that she will not be paid for days the school is closed or for days she is sick. When she applies on February 10, she has already missed three days for snow in the contract year and she was sick for two days. The contract reads that $10 will be deducted for each day not worked. The case is approved with income of $100 per month.

(**$**1250 - **$**50 = **$**1200 **$**1200 ÷ 12 **months** = $100)

Example 2: On April 5, the client reports that she missed April 3 and 4, which were not anticipated at the time of approval. The worker issues a $20 supplement for April.

Example 3: On December 11, the school bus driver reports that her contract will be increased by 10% effective January 1. The prospective income is recalculated for January's **payment** using the increased figure of $110.

(**$**1,200 x 1.10 = $1,320 $1,320 ÷ 12 **months** = $110)

b. How To Calculate the Monthly Amount

1) Whenever income is anticipated for each pay period in a given month, and is received on a weekly or bi-weekly basis, the Eligibility Worker shall convert the income to a monthly amount by:

(a) multiplying average weekly amounts by 4.3 and average bi-weekly amounts by 2.15; or,

Example 1:

The client's weekly pay for the prior month was:

$220.40
$175.80
$210.00
$195.70

To obtain a monthly amount, the Eligibility Worker multiplies the weekly average by 4.3.

$801.90 (total of the pay stubs) divided by 4 (number of paystubs) equals $200.48.

$200.48 x 4.3 = $862.06 monthly income.

Example 2:

The client's bi-weekly pay for the prior month was:

$185.40
$209.50
$394.90

To obtain a monthly amount, the Eligibility Worker multiplies the bi-weekly average by 2.15.

$394.90 (total of the pay stubs) divided by 2 (number of pay stubs) equals $197.45.

$197.45 x 2.15 = $424.52 monthly income.

(b) using the exact monthly figure or an average per pay period times the actual number of pays if the assistance unit will receive less than a full month's pay. If actual income is used in any given calculation, it is the Eligibility Worker's responsibility to adjust the figure for subsequent months if the actual income varies.

Example:

The client's salary is $100 weekly. The pay does not vary. The client is paid every Friday.

The client reports she quit her job and will receive a final weekly paycheck on September 3. Since the client was paid for a partial month, the exact amount of $100 will be used.

Example:

The client reports she quit her job on June 21. She will receive a final bi-weekly paycheck on July 5.

For the month of May, she received $190 and $220 for a total of $410. This amount is divided by two (the number of pays) to determine the average bi-weekly pay of $205. $205 is used to calculate her July TANF payment.

2) Assistance units receiving monthly or semi-monthly income, such as state or federal payments or semi-monthly pay checks, must have the income assigned to the normal month of receipt, even if mailing cycles, weekends or holidays cause the income to be received in a different month.

For example, the applicant/recipient is employed and is paid semi-monthly on the first and sixteenth. Because June 1 falls on a Saturday, the client receives her June 1 paycheck on May 31. The Eligibility Worker will count the paycheck received May 31 as income for June.

3) For the on-line systems used to verify child support or unemployment benefits, mailing and processing days must be added to the payment dates shown to properly reflect the period of receipt for TANF purposes. Checks are prepared and mailed on the business day following the APECS disbursement date or the VEC warrant date. **Allow two mail days to determine the payment date and month of receipt. Allow two business days for electronic funds transfer payments to reach the designated debit card bank account to determine the payment date and month of receipt.**

Once the income has been verified, the payment is then calculated based on the anticipated income. (Refer to Appendix 3 to Section 305, Steps 3 and 4.) Ongoing payments will continue in the same amount until a change is reported or becomes known to the agency.

The case must be documented to reflect the method used to arrive at the anticipated income.

Eligibility must be determined for each month of the application period. Applicants may be ineligible for the month of application and eligible for the month following the month of application. Benefits must be denied for the month of application and **approved** for the month following the month of application.

Example 1: - On November 17, the worker processes an application dated October 29. The case is denied for October and November due to excess income; however, the case will be eligible for a December payment as the income ended in November. Therefore, the case is to be approved effective December 1.

Example 2: - On July 14, the worker processes an application dated June 1. The application was not processed within the 30-day application processing time frame due to the applicant being admitted to the hospital as a result of a stroke on the 28th day. Verification is received July 13. The worker determines that the case is eligible. The worker approves the case with July 1 as the beginning date of assistance.

Example 3: - On December 1, the worker processes an application dated November 13. The case is eligible for a payment for November and December but ineligible for a January payment as a result of full-time employment. A payment is to be issued for November and December, and the case is to be closed effective December 31.

C. Verification of Income (Earned and Unearned)

In order to establish income eligibility, verification of all income received or anticipated to be received monthly by the assistance unit is required at the time of application/reapplication, when adding individuals with income, at renewals, and when a change becomes known to the agency. When verification is required, the agency must notify the applicant/recipient of the necessary verification and allow the assistance unit 10 days to respond. The assistance unit has primary responsibility for verifying income; however, if needed, the worker must assist the household in obtaining any necessary verifications.

The assistance unit is not responsible for providing verification of reported unearned income for which verification is accessible to the local agency through systems of records. These records include SDX, SVES, SOLQ- I, and VEC inquiry of unemployment benefits. The EW should document the date and results of the searches **in Case Comments on the Screen Level page** within **VaCMS**. If the inquiry confirms that the individual does not have unearned income, the EW should **also** document the result **in Case Comments on the Screen Level page within the VaCMS.** If the applicant/recipient fails to verify income either verbally or in writing**,** within 10 days of notification, guidance at 401.2.B.1. and 2. regarding substantiation of eligibility factors is to be followed.

If an individual has a disability that limits his ability to provide verification, the worker must inform such individual that the worker can help obtain any necessary verification, and if the individual requests help, or help was needed but not offered or provided, the agency cannot thereafter impose adverse actions related to the particular incident, on the basis that the individual failed to provide the verification in a timely fashion.

When verbal verification is obtained, the case record documentation should include the name and telephone number of the individual who provided the information, the date of contact, and the information obtained.

At each renewal, all income of the assistance unit must be verified, regardless of whether a change has been reported. If a change is identified, a prospective determination must be conducted in accordance with Section 305.1.A. to establish ongoing eligibility.

When a change in income occurs between renewals, a prospective determination must be conducted to establish ongoing eligibility.

When attempts to verify countable income prove to be unsuccessful because the person or organization that is to provide the verification fails to cooperate with the assistance unit and the local agency, and there are no alternate sources of verification available, the Eligibility Worker shall determine an amount to be used for TANF purposes based on the best available information. The case record must be documented to reflect the method used to arrive at the anticipated income.

In the above situation, the following verification will be considered the best available information:

1. a third party statement,
2. a collateral contact, or
3. as a last resort, the applicant's/recipient's written statement of the amount of income anticipated to be received in the payment month.

D. Handling Changes in Income (Earned and Unearned)

1. The assistance unit must report increases in income that place the assistance unit's monthly income above 130% of the federal poverty level based on assistance unit size.

The income limits are as follows:

Report Income Change When Household Income Exceeds These Amounts				
Household Size	Monthly Amount	Weekly Amount	Bi-Weekly Amount	Semi-Monthly Amount
1	**$1,354**	**$ 314.88**	**$ 629.76**	**$ 677.00**
2	**1,832**	**426.05**	**852.09**	**916.00**
3	**2,311**	**537.44**	**1,074.88**	**1,155.50**
4	**2,790**	**648.83**	**1,297.67**	**1,395.00**
5	**3,269**	**760.23**	**1,520.46**	**1,634.50**
6	**3,748**	**871.62**	**1,743.25**	**1,874.00**
7	**4,227**	**983.01**	**1,966.04**	**2,113.50**
8	**4,705**	**1,094.18**	**2,188.37**	**2,352.50**
Each additional Person	**+ $479**	+ $**111.39**	+ $**222.79**	+ $**239.50**

2. When a change in income is reported or becomes known, including changes not required to be reported to the agency, the worker must take the following steps:

   a. Document the case record regarding the rate **of pay, number of hours**, frequency of payment (i.e., weekly, biweekly, semi-monthly, monthly, etc.) and the payment cycle (i.e., on what day the client is paid) **within the VaCMS in Case Comments on the Screen Level page**. If, based on the information provided by the client, there is a decrease in benefits, income must be verified by the next renewal.

   b. When an increase in income occurs, conduct a prospective determination per Section 305.1.A based on information provided. If the prospective determination renders the case ineligible, close the case as soon as administratively possible, or if ineligibility is expected to exist for only one month the payment may be suspended.

      If the case continues to be eligible, calculate the payment reflecting the new or increased income. If the income anticipated to be received during the month following the month the change became known to the agency represents less/more than a full month's income, then the second month following the month the change became known to the agency must be calculated based on the amount of income anticipated to be received in that month.

      For increases in contract income, refer to Section 305.1.B.2.a.4.

   c. If a decrease in income occurs, the change must be reflected, based on information provided, in the following payment month. Verification must be provided by the second month after the change becomes known. (Refer to Section 503.9 for further guidance concerning underpayments.)

      For decreases in contract income, refer to Section 305.1.B.2.a.4.

E. Adding and Deleting Persons With Income

1. When adding/deleting a person with income, conduct a prospective determination per 305.1.A. If eligible, verify anticipated income and reflect the change in the appropriate payment month.

2. Income of persons being removed from the assistance unit will be deleted from consideration at the same time the individual is removed from the unit. Additionally, any income of a stepparent or parent (including the parent of a minor caretaker) who is not included in the assistance unit will be deleted for the month following the month the person leaves the home. In the case of a minor caretaker, income deemed from the minor's parent(s) will be deleted for the month following the month the minor caretaker attains the age of 18.

   Example 1 - One of three children is removed from the home by the court on July 15. This child receives Social Security of $75 per month. The August payment should not reflect the income and needs of the child who was removed.

   Example 2 - A stepparent moves out of the home on the 23rd of September. Any income deemed available to the unit should be deleted from the October **payment** calculation. A supplemental payment must be made if the income cannot be deleted from the October 1 payment.

3. When adding/deleting the income of excluded individuals required to be in the assistance unit, the income of any excluded individual required to be in the assistance unit will be treated the same as individuals who are included in the assistance unit and, in the case of earned income, earned income disregards are applicable.

   a. The income of an excluded individual will be deleted the month following the month that the person leaves the home or is no longer required to be in the unit.

   b. When an excluded individual gets an increase or decrease in income, the increase or decrease will be handled in accordance with Section 305.1.D.

F. Applicant's/Recipient's Reporting Responsibilities

The applicant/recipient must be advised according to Section 401.2.B.1. and 2. regarding verification requirements and action that may be taken if verification is not provided. Additionally, the worker must provide the applicant/recipient with information concerning:

1. Documents that constitute acceptable types of verification.

2. Changes that must be reported.

3. Time standards for reporting and acting on changes.

a. All required changes must be reported timely, within 10 calendar days from the date the change becomes known to the assistance unit but is reported timely if reported by the tenth day of the month after the change occurs.

If the recipient is uncertain of the exact date or amount of the change, then the 10-day reporting period begins the day the change occurs. The recipient is not required to have full knowledge of the change when reporting it to meet the 10-day requirement for timely reporting. For new employment, the 10-day period may begin as late as the first day of employment. Once the recipient reports a change, the EW must evaluate the information within 10 days for potential impact and request additional information and necessary verifications that address rate of pay, number of hours, and how often paid.

1. When a change will increase benefits, the verification required must be obtained prior to the second month following the change in order to reflect the change in that month. If the assistance unit does not provide verification, the assistance unit's benefits will revert to the original amount unless a refusal to cooperate is documented, in which case an advance notice must be sent to terminate the case. An advance notice is not required if benefits are reverted to the original level because verification was not received, and the assistance unit was so advised at the time of increase.

2. Whenever a change will decrease benefits, verification must be obtained prior to or at renewal.

3. When a change neither increases nor decreases benefits, required verifications must be obtained prior to or at renewal.

b. The worker is responsible for notifying the applicant/recipient when **income** must be verified. Income verification must be provided within 10 days of notification.

c. The worker must advise the applicant/recipient on the appropriate notice of the amount of gross income anticipated to be received, the net income counted in determining the payment, the payment month the net income will begin to be counted, and the changes that must be reported.

G. Timely Reporting Examples

Example 1: Mrs. Smith called the agency on April 27 to report that she accepted a job on April 22. She will begin this job on April 29; however, she does not know the number of hours she will work nor how much she will earn hourly. The worker informs Mrs. Smith on May 5 that she needs to provide the number of hours she will be working, the rate of pay and how often she will be paid to determine continued eligibility.

Did the recipient report timely? Yes. Mrs. Smith accepted the job on April 22, however, she will begin work on April 29. The latest this information could be reported timely is May 9.

Did the worker meet the 10-day time frame to act on the change (evaluate the information received and request additional information/verification)? Yes. The worker informed the recipient on May 5 of the information necessary to determine continued eligibility. The client has 10 days from the date requested to provide the information. The client provides the information on May 15. The worker must take action for the June 1 payment. If the information is submitted after May 15, the case must be suspended/closed.

Example 2: Mrs. Johnson calls the agency on September 25 to report that she began working a second job on that date. Mrs. Johnson knows she will work 15 hours a week at $5.15 an hour and will be paid every week. The worker tells Mrs. Johnson that she will need verification of this information by October 5. The case record is documented and the anticipated income entered in VaCMS.

Did the recipient report timely? Yes.

Did the worker meet the 10-day time frame to act on the change (evaluate the information received and request additional information/verification)? Yes. The worker requested verification of the reported change. Increased income may cause either a decrease in payment or termination. This change causes a decrease. The recipient has until the next renewal to provide verification. Once the worker has sufficient information, action must be taken to decrease the benefits using the recipient's information.

Example 3: Ms. Smith accepted a new job on September 10 and started working on September 13. She received her first pay check on September 22. On September 23, she comes into the agency to bring her first paycheck to her worker. Ms. Smith told her worker she did not know what her income would be until she received this check.

Did the recipient report timely? Yes. Changes must be made as soon as they are known to the recipient. For income, the change becomes known when the customer can give the worker sufficient information. At the latest, the 10-day time frame begins the day the recipient begins working. The recipient began working on September 13. Ten days from her first date of employment is September 23. The worker must evaluate the income and impact the November 1 payment.

305.2 INCOME TO BE COUNTED - For the purpose of determining the amount of payment for an assistance unit, it is necessary to deduct the net countable income from the monthly standard of assistance applicable to the assistance unit. Net countable income is all income, both earned and unearned, which is available or expected to be available to members of the assistance unit, except for that portion specifically disregarded.

EXCEPTIONS:

(1) Reimbursements for out-of-pocket expenses shall not be considered countable income. These expenses may include reimbursement for travel expenses, such as mileage; reimbursement to the caretaker of a child for child care expenses; reimbursements for expenses incurred as a volunteer, etc.

(2) Money which belongs to another person that is handled by the client to pay expenses for that person is not considered available to the assistance unit. Example: Mrs. C. has a son in the Army who is currently in Germany. He sends her $250 a month to pay his car payment of $250 a month. None of this money is to be considered as income to Mrs. C.

Example:

Mrs. X and Mrs. Y live in the same house which is rented in Mrs. X's name. Mrs. Y gives Mrs. X an established portion of the rent each month. Mrs. X adds her portion to Mrs. Y's and pays the rent. Since this is a "shared shelter" arrangement, Mrs. Y's portion of the rent is not considered income to Mrs. X.

Note: This guidance is not intended to replace roomer/boarder and property rental situations.

(3) **Nonrecurring monetary gifts** for special occasions, such as birthdays, Christmas, **graduation**, etc., will be disregarded.

There is some income that is not currently being received by the assistance unit but is considered available:

A. Support from a spouse or parent (natural, adoptive, or stepparent) living in the home is assumed to be available to the spouse and dependent children under 21 who are also living in the home* (305.4 E. and F.) except that no part of an SSI or Auxiliary Grant payment or any income of a

*45 CFR 233.20(a)(3)(vi)

recipient of either program can be counted in determining the amount of an TANF payment, even though the applicant/recipient is the spouse of the needy caretaker or the parent of the eligible children.* When living together, the income of a minor caretaker's parent(s) will be deemed available to the minor caretaker's assistance unit until the minor caretaker reaches the age of 18, regardless as to whether the minor caretaker is excluded from the assistance unit, due to SSI receipt, or for any other reason.**

B. If an individual receives income or benefits such as, but not limited to, RR Retirement, other retirement benefits, Unemployment Compensation, Veterans' benefits, or Social Security benefits, the actual amount of the income or benefit received by the individual may differ from the gross amount to which the individual is eligible. Whether the gross or actual amount is counted for TANF purposes is based on the type of income or benefit reduction.

1. The gross amount of income or benefit, not the actual amount received by the individual, will be counted when:
   - the individual is clearly entitled to the benefit but chooses not to accept it;
   - the income is from wages or benefits garnished by a third party; or
   - a court has ordered that child support be withheld from the income or benefit (Note: Benefits from which child support can be withheld include, but are not limited to, Social Security benefits, Veteran's benefits, Unemployment benefits, and Worker's Compensation benefits. Supplemental Security Income (SSI) and public assistance benefits are exempt from child support claims based on federal and state law.)

Example 1:
Mother applies for TANF for herself and one child. Mother is disabled and receives SSA. Mother's SSA check is reduced each month to pay a court-ordered child support obligation (court order states that the child support will be deducted from the SSA check). Mother is entitled to receive $200.00 but only receives $100.00. The agency will count the full $200.00 as income for the TANF AU.

Example 2:
Mother applies for TANF for herself and one child. Mother is disabled and receives SSA. Mother's SSA check is reduced each month to pay an IRS tax debt. Mother is entitled to receive $200.00 but only receives $100.00. The agency will count the full $200.00 as income for the TANF AU.

2. The actual amount of income or benefit received, not the gross amount for which the individual is eligible, will be counted as income when:
   - some, or all, of the income or benefit has been retained by the issuer due to overpayment or program non-compliance; or
   - the TANF child is the beneficiary of the income but only a portion of the income is available to the caretaker.

* Social Security Act, Section 402(a)(24)
** 45 CFR 233.20(a)(3)(xviii)

Example 1:
Mother applies for TANF for herself and one child. Mother has applied for Unemployment Insurance (UI)and is eligible for $100.00 per week. Mother is not receiving the UI payment because she has failed to complete the required weekly job search contacts. The agency will count $0 income per week as income for the TANF AU.

Example 2:
The mother applies for TANF for herself and a child who receives a SSA check in the amount of $500. The check goes to the father who does not live with the TANF assistance unit. He keeps $300 of the check and gives the balance to the mother. The $300 retained by the father is inaccessible to the child. The agency will count $200, the amount actually received by the mother, as income.

The agency has a responsibility to explore potential income sources and assist the applicant/recipient in developing them to a state of availability whenever possible.*

It is the responsibility of the recipient to report required changes to the agency within 10 calendar days from the date the change becomes known to the assistance unit. Changes required to be reported by the applicant, which occur after the interview but before the date of the Notice of Action to approve the case, must be reported by the assistance unit within 10 days.

There are some differences in the provisions for counting earned and unearned income. Therefore, when income is from property, the eligibility case record must clearly indicate the basis for determining whether it is earned or unearned income, that is, whether the individual produces it by his own efforts or is actively engaged in management. For example, income from room and board is considered earned income only when the individual is engaged in a commercial enterprise for profit. Regardless of whether the income is earned or unearned, it is the profit which is considered the gross income.

* 45 CFR 233.20(a)(3)(ix)

305.2 EARNED INCOME – Earned income is defined as income earned by an individual through the receipt of wages, salary, and/or commissions, or through profit from activities in which he is engaged as a self-employed individual.* Earned income includes pay for jury duty, severance pay, and vacation pay. Sick/disability pay from the employer or from employer obtained insurance is counted as earned income as long as the payment is made directly from the employer to the employee. If the payment is made from the insurance company to the employee, the income is counted as unearned income.

Note: income received from a supplemental sickness or disability insurance policy that was obtained solely by the employee (and payments are issued directly from the insurance company to the employee) will be counted as unearned income.

Self-employment is defined as a business, farming or commercial enterprise in which the individual receives income earned by his own efforts, including his active engagement in management of property. Income from property when the individual is not actively engaged or when no managerial responsibilities are involved is not considered earned income.** In addition, for TANF purposes, self-employment situations include, but are not limited to, domestic workers, companion service providers, and child care providers.

Contract earnings are defined as wages guaranteed by a contract. This does not include work on an hourly or piecework basis or self-employment. A guaranteed wage is one which is received by an individual employed on a contractual basis and paid over a period of time. Earnings of this nature will be prorated according to 305.1.B.2.a.4).

When income is received from property, the eligibility case record must clearly indicate the basis for determining whether or not the individual produces it by his own efforts or whether or not he is actively engaged in management.

A. Definitions of Gross Earnings and Profit

1. Gross earned income from wages, salary or commissions means the total amount of pay, irrespective of deductions, withholding or work expenses.*** It is not the "take home" pay. Exception: Money advanced from an employer prior to the regular pay date must be counted as part of the gross income in the month of receipt. Any amount withheld to repay an advance in salary received prior to the that month shall be deducted from gross earnings or profit for the month in which it is withheld.

2. Gross earned income of child care providers means the income of a TANF recipient who provides child care in her home minus an allowance for the cost of meals and snacks that are provided. The allowance is not given for children included in the child care provider's TANF AU or for children excluded from her AU. The allowance is the same as those in the Supplemental Nutrition Assistance Program (SNAP) formerly Food Stamp Program Manual, at Part XII.A.7, under Allowable Costs of Producing Income for Child Care Providers.

* 45 CFR 233.20 (a)(6)(iii)
** 45 CFR 233.20(a)(6)(vii)
*** 45 CFR 233.20(a)(6)(iv)

3. Profit from self-employment means the total income received, less the business expenses directly related to producing the goods or services and without which the goods or services could not be produced.* However, business expenses do not include:

   a. net losses from previous periods;

   b. federal, state, and local taxes;

   c. money set aside for retirement purposes;

   d. personal expenses, entertainment expenses, and personal transportation;

   e. depreciation of equipment, machinery, or other capital investments necessary to the self-employment enterprise.

   Note: If an individual who was self-employed incorporates his business, either by himself or with another individual, he is no longer considered self-employed. His wages or salary will be paid by the corporation and will be considered regular earned income, not self-employment income.

B. Disregarded Earned Income – As specified below, certain earned income of members of the assistance unit and excluded individuals required to be in the assistance unit must be disregarded in determining need of the assistance unit and amount of assistance to which the assistance unit is entitled. In addition, income disregarded under the provisions of other federal assistance programs must not be counted as income to the TANF assistance unit. The items listed below are disregarded during the **maximum allowable income** screening. Income disregards are to be applied to gross earned income in the order listed below.

1. All payments issued under the **Workforce Innovation and Opportunity Act (WIOA)**, including Job Corps payments,** to a student who is under age 18 or, if age 18, is **a full-time student**.

2. Other earned income of any eligible child who is a student* must be disregarded in the **maximum allowable income** screen, determination of need (for applicants) and payment computation.

* 22 VAC 40-295-60
** Public Law 105-220

3. Standard Deduction*** -** A standard deduction is subtracted from the gross earned income for the assistance unit whose income is not otherwise exempt.**
Individuals not included in the AU will not be considered when determining the appropriate standard deduction.

4. 20% Deduction of the Remaining Earned Income* - After applying the disregards in items 1-3, deduct 20% of the remaining earned income, including profit produced by self-employment.**

* **22 VAC 40-295-60**
**45 CFR 233.20(a)(11)(i)(B)
*** **22 VAC 40-295-60**

5. Incapacitated Adult/Child Care Disregard - Anticipated child care expenses, up to the appropriate maximums, must be disregarded in determining initial eligibility and determining the amount of payment (Step 2 and 3 of Appendix 3 to Section 305). The appropriate disregard will be based on the employment status of the client. The cost of child care may be paid for by a service vendor payment, by the client, or a combination. The child care expenses paid by the client are to be disregarded from earned income up to the maximum. Prior to allowing the child care disregard, it must be verified that a service vendor payment is not being issued concurrently.

The child care expenses can be incurred when an employed VIEW participant pays the difference in the above market rate and the amount paid by VIEW child care, or when an employed TANF applicant/recipient is paying her own child care costs. If the recipient is referred to VIEW the disregard may be given until VIEW child care begins to pay for the care. If the VIEW participant continues to pay her own child care expense, the disregard can continue to be allowed.

Anticipated incapacitated adult care expenses, up to the appropriate maximum, will be disregarded in both the initial eligibility determination and determining the amount of payment. The appropriate disregard will be based on the employment status of the client. Incapacity must be supported by the Medical Evaluation form (032-03-**0654**) unless incapacity is established by receipt of Social Security Disability (SSDI) benefits or Supplemental Security Income (SSI).

Adult care expenses can be incurred when the applicant/recipient pays a provider to care for the incapacitated adult.

a) Employment status refers to:

1) Full-time Employment - Employed to work 30 hours or more per week on an on-going basis;

2) Part-time Employment - Employed to work less than 30 hours per week on an on-going basis;

3) Not Employed Throughout A Month - Applicable when an individual begins or terminates employment.

b) To determine the employment status of an individual who is not employed to work a specific number of hours on an on-going basis, such as a person employed on an on-call basis, as needed basis, or fluctuating basis, the following criteria should be used:

1) Full-time Employment - Working, or expected to work, 120 hours or more per month;

2) Part-time Employment - Working, or expected to work, less than 120 hours per month.

Verification of an individual's employment status should be provided by either an employer's statement of the number of hours employed to work, or actually worked, or by pay stubs. For self- employed individuals, the agency will be required to accept the client's statement concerning the number of hours worked, unless the agency has reason to question the validity of the statement.

Note: When verification of the appropriate employment status is being established for a prospective determination, it may be necessary for the eligibility worker to use his/her best estimate of the circumstances that will exist during that month.

The applicant/recipient is required to verify his/her employment status initially, at each redetermination and whenever there is a change in the number of hours worked.

c) Based on an applicant/recipient's employment status, the following disregards will be applied: (See exceptions to allowing the disregards in item 7.)

1) For full-time employment, deduct an amount equal to the anticipated cost, not to exceed $175 per month, for care of each child, age 2 and older and/or incapacitated adult in the assistance unit. In the case of child care for a child under 2 years old, deduct the anticipated cost not to exceed $200 per month.

2) For part-time employment, deduct an amount equal to the anticipated cost, not to exceed $120 per month, for care of each child and/or incapacitated adult in the assistance unit.

3) If an individual is not employed throughout a month but:

a) has worked, or is expected to work, 120 hours or more in that month, deduct an amount not to exceed the full-time disregard.

b) has worked, or is expected to work, less than 120 hours in that month, deduct an amount not to exceed the part-time disregard.

If child care/incapacitated adult care is payable on a weekly or bi-weekly basis, the amount of the monthly expense may be calculated using the 4.3 (weekly) or 2.15 (bi-weekly) conversion factors.

The disregard for child care is limited to children in the assistance unit, and the disregard for incapacitated adult care is limited to adults in the assistance unit.* Verification of the child/incapacitated adult care paid or anticipated to be paid must be obtained and submitted initially, at redetermination and whenever a change in the amount to be paid is reported in order to allow the disregard in determining the amount of payment. Acceptable methods of verification include written statements from the provider, receipts or cancelled checks, or verbal statements from the provider. When verbal verification is obtained, the case record documentation should include the name and telephone number of the individual who provided the information, the date of contact, and the information obtained.

* 45 CFR 233.20(a)(11)(i)(D)

Failure or refusal of the applicant/recipient to submit verification of the expense will result in the amount of the payment being determined without the expense being disregarded. If the verification is subsequently provided, eligibility will be re-evaluated, and a supplement issued for the month for which the disregard was not allowed. If termination or denial results from not allowing the disregard, follow guidance in Section 401.3.F.5. This disregard, when applicable, is to be deducted from budget month income. Additionally, the disregard cannot be applied if the provider of care is a member of the assistance unit.

Budgeting adult/child care (if chosen):

Example 1: In December, the income and adult care/child care (if chosen) expenses anticipated for January, using appropriate maximums, are verified and used to determine the amount of the January payment.

Example 2: Budgeting the child care disregard of a child turning 2 years old when employment is full-time:

The child turns 2 on February 5. In calculating February's payment, anticipated income and child care expenses, not to exceed $200, are verified and used to determine the amount of the payment because the child was under 2 during that month. For March, anticipated income and child care expenses, not to exceed $175 (child now 2), are used to determine the amount of the March payment.

Example 3: An ongoing recipient works part-time and has chosen to have child care costs disregarded. In May she reported that her job changed to full-time on May 15. The prospective for June must reflect the appropriate maximum disregard for full-time employment. If eligible, the June payment will be calculated using the full-time maximum.

Note: Earned income cases that become ineligible may be eligible for transitional child care benefits. See Section **401.7.**

* 45 CFR 233.20(a)(11)(iii)

C. Countable Earnings - The amount of monthly earnings remaining after the appropriate disregards have been deducted is the countable earned income to be used in computing need and amount of assistance.

305.4 OTHER INCOME - In determining the amount of assistance, all other regular income received or anticipated to be received by members of the assistance unit or used in determining eligibility must be counted in the month in which it is received, except that specifically disregarded under A.

A. Other Income Disregards - The following income of members of the assistance unit, a parent not included in the assistance unit or anyone whose income is used in determining eligibility or the amount of assistance must be disregarded.

Income which is disregarded under the following provisions must not be counted in determining the need for assistance of any individual under any other federal assistance program:*

1. Home produce of the assistance unit utilized for their own consumption.

2. The value of **SNAP benefits**.

3. The value of foods donated under the U.S.D.A. Commodity Distribution Program, including those furnished through school meal programs.

4. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

5. Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended.

6. Money received for educational purposes** **including income received from college work study programs.**

7. Training allowances (transportation, books, required training expenses and motivational allowances) provided by Vocational Rehabilitation for persons participating in Vocational Rehabilitation Programs.***

   The disregard is not applicable to the allowances provided by VR to the family of the participating individual.

* 45 CFR 233.20 (a)(4)(iii)
** 45 CFR 233.20 (a)(3)(iv) (B) and (vii), and (a)(4)(ii)(d), and Public Law 102-325
*** 45 CFR 233.20 (a) (4) (vii)

8. Any portion of an SSI payment and/or Auxiliary Grant.*

9. Payments to VISTA Volunteers under Title I, when the monetary value of such payments is less than minimum wage as determined by the Director of the Action Office,** and payments for supportive services or reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and other programs pursuant to Titles II and III, of Public Law 93-113, the Domestic Volunteer Service Act of 1973, including AmeriCorps VISTA.*** The worker must contact the **Action Federal Domestic Volunteers Office** at the following address or telephone number when VISTA payments are reported; Action Office, 400 N. 8th Street, Richmond, Virginia 23219, (804) 771-2197.

   Exception: This disregard does not apply to payments to participants funded by state or national AmeriCorps grants or to participants in the AmeriCorps National Civilian Community Corps (NCCC). Stipends paid to AmeriCorps volunteers in these programs are counted as earned income unless the participant is a student who is an eligible child (see 305.3B(2)).

10. The Veterans Administration educational benefit for the caretaker 18 or older is disregarded in its entirety when it is the veteran's only source of assistance for education. No verification beyond the award letter or benefit payment check is needed.

    If the veteran receives additional assistance in the form of a grant, loan, or scholarship, the VA educational benefit is to be disregarded in its entirety as long as any portion of the benefit is used to pay for tuition, books, fees, equipment required by the education/training program, transportation if the education/training institution is more than one mile from the veteran's residence, and/or child care services necessary for school attendance.

    Exception: Any funds included in the benefit amount specifically for dependents are to be counted as income to the assistance unit.

    Exception: Any separate housing allowance, including an allowance authorized under the Post 9/11 GI Bill, is to be counted as income to the assistance unit.

11. Foster care payments, including payments for Independent Living Assistance, received by anyone in the assistance unit.

12. All payments for supportive services under the Workforce Investment Act of 1998 (WIA).

    Additionally, all payments issued to a student under age 18 or, if age 18, scheduled to graduate no later than the month he/she turns 19 under the Workforce Investment Act of 1998 (WIA), including Job Corps payments. (Note: Wages paid to an adult WIA participant are counted as earned income.)

* 45 CFR 233.20(a)(3)(x)
** 45 CFR 233.20(a)(4)(ii)(h)
*** 45 CFR 233.20(a)(4)(ii)(g)

13. Income tax refunds (including Earned Income Tax Credit payments and refunds). These exempt tax credits include federal earned income tax credits and state earned income tax credits.

14. Any payment made under the Fuel Assistance Program.

15. The value of supplemental food assistance received under the Child Nutrition Act of 1966. This includes all school meal programs; the Women, Infants, and Children (WIC) Program; and the child care food program. Money paid to day care providers under the National School Lunch Act to serve meals to children, other than their own, is countable.

16. All federal, state, or local government rent and housing subsidies and utility payments.*

17. Any funds distributed to, or held in trust for, members of any Indian tribe under Public Law 92-254, 93-134, 94-540, 98-64, 98-123, 98-124 or 97-458. Additionally, interest and investment income accrued on such funds while held in trust, and purchases made with such interest and investment income are disregarded.**

18. The following of distributions received from a Native Corporation under the Alaska Native Claims Settlement Act (Public Law 100-241):

    a. Cash (including cash dividends on stock received from a Native Corporation) to the extent that the total received does not exceed $2,000 per individual per calendar year;

    b. Stock (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);

    c. A partnership interest;

    d. Land or an interest in land (including land or an interest in land received from a Native Corporation as a dividend or distribution on stock); and

    e. An interest in a settlement trust.

*45 CFR 233.20(a)(3)(xii)
**45 CFR 233.20(a)(4)(ii)(e)

19. Income derived from certain submarginal land of the United States which is held in trust for certain Indian tribes (Public Law 94-114).

20. In determining eligibility for assistance, the first $100 of total child or child and spousal support payments received by the assistance unit is to be disregarded.* In calculating the initial month's payment(s) the $100 disregard is only to be applied if it is anticipated that $100 will not be collected by DCSE subsequent to case approval (the date that the **case is certified and authorized in the VaCMS**). If it is anticipated that at least $100 will be collected, the support disregard is not to be applied when calculating the initial payment since the unit will receive a disregard payment from DCSE. If the amount that is anticipated to be collected by DCSE after case approval is less than $100, disregard an amount from the support received prior to case approval that will ensure the total support disregard for the month does not exceed $100. For ongoing cases, DCSE will send each assistance unit a disregard payment of the first $100 of child support received each month. The $100 disregard is only applicable to current child/spousal support payments received each month.

21. Payments sent to the recipient by the State which are identified as disregarded support.

22. Federal major disaster and emergency assistance provided under the Disaster Relief and Emergency Assistance Amendments of 1988 and disaster assistance provided by state and local governments and disaster assistance organizations (Public Law 100-707).

23. Payments received by individuals of Japanese ancestry under the Civil Liberties Act of 1988, and by Aleuts under the Aleutian and Pribilof Islands Restitution Act (Public Law 100-383).

24. Payments by VIEW for support services such as transportation, uniforms, child care, etc.

25. Any payment received from the Agent Orange Settlement Fund or any other fund established in response to the Agent Orange product liability litigation.** To verify whether a payment is an Agent Orange payment, use documents in the individual's possession. If the individual cannot pro-vide verification or the situation is unclear, write to the Agent Orange Veteran Payment Program, P.O. Box 110, Hartford, CT 06104, Attention: Agent Orange Verification. Include in the request the veteran's name and social security number. If a survivor of a qualifying veteran was paid, also provide the survivor's name and social security number.

26. Payment received by individuals under the Radiation Exposure Compensation Act (Public Law 101-426).

*Public Law 109-171
**Public Law 101-239

27. Funds received pursuant to the Maine Indians Claims Settlement Act of 1980 (Public Law 96-420); and the Aroostook Band of Micmacs Settlement Act (Public Law 102-171).

28. Funds paid to an escrow account established under the Family Self- Sufficiency Program of the Department of Housing and Urban Development.

29. Student financial assistance received under Bureau of Indian Affairs student assistance programs.*

30. Interest earned or appreciation in value on a savings or investment account for the purpose of self-sufficiency.

31. Up to $2,000 per year of income received by individual Indians, which are derived from leases or other uses of individually-owned trust or restricted lands.**

32. All bona fide loans, regardless of the intended use.* This includes loans obtained for any purpose, and may be from a private individual as well as from a commercial institution. A simple statement signed by both parties indicating that the payment is a loan and must be repaid is sufficient to verify that a loan is bona fide. If the customer indicates that money received was a loan but does not provide required verification, the money is to be treated as unearned income in the month received. Interest earned on the proceeds of a loan while held in a savings account, checking account, or other financial instrument will be counted as unearned income in the month received.

33. Income, including support, received by or on behalf of a child ineligible for TANF due to the family cap provision.***

34. Payments received by victims of Nazi persecution under Public Law 103-286.

35. Matching contributions deposited in an individual development account (IDA) or on the applicant/recipient's behalf in a parallel account maintained by the organization administering the IDA program.

36. Income received by children who are in a VIEW period of ineligibility.

37. Interest income of less than an average of $10 per month.

* Public Law 102-325
** Public Law 93-134
***Code of Virginia, Section 63.2-604

38. Any veteran benefits received by children born with spinal bifida, who are natural children of individuals who served in Vietnam during the period beginning January 9, 1962, and ending on May 7, 1975.

39. Payments received from the Ricky Ray Hemophilia Relief Fund established under Public Law 105-369.

40. **Any amount received by or made available to household members for deployment or service in a combat zone will not count as income for TANF purposes unless the payment was received before the deployment. This exclusion includes items such as, but not limited to, incentive pay for hazardous duty, pay for imminent duty, pay for hostile fire duty, reenlistment bonuses, or special pay for certain occupational or educational skills.**

41. **Support sent to clients from DCSE in a month the TANF case is reinstated and a supplemental payment issued. The disregard applies only to the month the case was reinstated.**

42. **A one-time cash payment, identified as a Reception and Placement (R&P) Program payment, made to help a newly arrived refugee meet basic needs during the first thirty days in the country. (Note: An R&P payment is separate from any cash allowances which may be made to a refugee through the Matching Grant Program. Matching Grant allowances <u>are</u> counted as income for TANF).**

43. TANF Child Support Supplement Payments issued to TANF recipients based on current support collected by the DCSE.

B. Income From Social Security and Other Benefits - Monthly benefits received or anticipated to be received by members of the assistance unit, or individuals required to be in the assistance unit, must be counted as income.

Exceptions:

1. **Educational benefits** received from Veterans Administration. (See 305.4.A.10.)

2. Medicare Part B premium deducted from the Social Security or Railroad Retirement benefits of an individual who is also receiving Medicaid. **In that case, the** amount of benefits actually received, plus the amount of the Part B premium, is counted as income since Medicaid will pay the premium during the time the individual receives Medicaid.

See 305.2.B. to determine whether the gross monthly benefit or the actual benefit received should be counted for Social Security, Veterans' benefits, Railroad Retirement or other retirement benefit, or Unemployment Compensation.

C. Lump Sum Payments – A lump sum is a nonrecurring payment which is received by a member of the assistance unit, or by an individual such as a stepparent or a parent of a minor caretaker, whose income must be considered in determining the eligibility of the AU.

Lump sum payments include payments for the accumulation of benefits for a prior period, including Social Security and Workers' Compensation benefits; payments in the nature of a windfall, e.g., inheritances or lottery winnings; personal injury awards; a life insurance settlement; or income from any other nonrecurring source. Money received from the sale of a resource is not considered a lump sum.

Lump sum payments for casualty property losses for the repair or replacement of damaged/lost property will not be considered as countable income since the payment is designated to replace or repair the property. A casualty property loss is a loss caused by a sudden, unexpected event such as a car accident, fire, flood, or earthquake.

A lump sum payment which exceeds 130% of the federal poverty level for the household (AU plus other required members; see 401.2), or which causes the total income for the household to exceed 130%, must be counted as income. If the amount of the lump sum and the date it is to be received are reported in advance, the lump sum will be counted in the month it is to be received. Otherwise, the lump sum will be counted in the month following receipt or as soon as administratively possible following the report of the payment.

A lump sum received in the month of application is treated as income for that month. A case which is denied due to excess income based on the lump sum payment may be eligible in the second month.

Calculating a lump sum payment:

1. **Determine that the non-recurring payment meets the definition of lump sum above and that the payment is not for a casualty property loss. Then, d**etermine the amount of **the** lump sum to be considered **as income**. Only the amount that is **actually** received by the individual (lump sum less **any** directly related expenses **which were deducted prior to the individual receiving the payment**) shall be considered as income.

   Example: Ms. S. notifies the local agency that her claim from an automobile accident has been settled. The settlement, **which was separate from a casualty claim for the loss of her vehicle also made by Ms. S.,** was for $5,000. **Ms. S.** received a check in the amount of $1,000 from her attorney. The check stub **showed that** $2,000 was deducted to cover legal expenses and $2,000 **was deducted** for medical expenses. The $1,000 that **the client** actually received is **considered the lump sum amount.**

   Note: Lump sum payments received as a result of an accumulation of benefits for a prior period, such as Social Security benefits, **may not have any** directly related expense deductions.

2. **Count** the lump sum **as income**. **Add** the lump sum **received by the individual** to other net countable income received in the same month. **If the total income exceeds 130% of the federal poverty level for the household, count income for the month following receipt of the lump sum.**
   a. If the applicant/recipient has knowledge of the date and amount of the lump sum before receiving it and reports it, the lump sum will be counted in the month that it is expected to be received. **The lump sum is counted for one month only. It will not impact future months.**

   b. If the recipient reports receipt of a lump sum on the day that it is received or any day thereafter, the lump sum is **counted for** the month **following** receipt **or for the first month that the action is administratively possible. The lump sum income is counted for one month only. It will not impact future months.**

   Example 1: Applicant applied for TANF on April 15th. She received $10,000 in January when her uncle's estate was settled. The application must be processed without counting the lump sum as income **because it was received prior to the month of application for TANF.**

*22 VAC 40-295

Example 2: A TANF applicant reports at application that she received an insurance check **earlier that same month** to repair damage to her home caused by **a severe storm**. **The money will be used to** repair her home. This lump sum must not be counted as income **since it is payment for a casualty property loss.**

Example 3: A TANF applicant reports lottery winnings of $2,000 during March, the month of application. She has no other income, but the lottery winnings exceed 130% of the federal poverty level for the household. Her application is denied for March and approved for April.

Example 4: An ongoing TANF recipient calls the local agency on March 11th to report receipt of a $5,000 inheritance check. **The lump sum causes the household income to exceed 130% of the federal poverty level. The lump sum will be counted as income for April and the case will be suspended because the income exceeds the standard of need. The case will be reinstated for May.**

Example 5: A TANF recipient calls her worker on June 15th to report **that** she will receive a Social Security payment for her son on July 3rd . **The payment will be $2100 ($300 for each of the months of November, December, January, February, March, April and May). The payment causes the household income to exceed 130% of the federal poverty level.** The local agency must count **the payment** as income for the month of July **and suspend the case because the income exceeds the standard of need. The case will be reinstated for August.**

PAGES 28 – 32 INTENTIONALLY LEFT BLANK

D. **Sponsored Aliens - For the purposes of determining eligibility, the income of any person who sponsors an alien's entry into the United States on or after December 19, 1997, shall be considered to be the unearned income of the alien.**

After determining that an alien meets the alienage requirements in Section 201.7.A.2.a. – d, the worker must determine if sponsor deeming is applicable to the individual. The alien groups exempt from sponsor deeming are refugees, asylees, deportees, parolees, Cuban-Haitians, and veterans/persons in active duty and certain of their relatives (Section 201.7.A.2.d). Aliens exempted are responsible for proving that their original entry status was one of those listed above if their current status is different.

1. Aliens Whose Sponsor Executes an Affidavit of Support on or After December 19, 1997
Section 213A of the Immigration and Nationality Act, as amended by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996(P.L. 104-208) requires that the sponsor of an alien applying for an immigrant visa or adjustment of status on or after December 19, 1997, sign Form I-864, the "Affidavit of Support Under Section 213A of the Act." The sponsor of an alien who applied for an immigrant visa or adjustment of status before December 19, 1997, is not subject to the requirements of Section 213A and must sign Form I-134, the "Affidavit of Support," or another "non-213A" affidavit of support, as determined by USCIS.

Policies applicable when the affidavit of support was executed on or after December 19, 1997, are as follows:

a. Countable Income of Sponsors - For purposes of determining eligibility, the income of any person who executed an affidavit of support with respect to the alien and the spouse of any person who executed an affidavit on behalf of the alien, shall be considered to be the unearned income of the alien.

b. Termination of the Sponsor's Obligation - The evaluation and use of the income of the sponsor and spouse of the sponsor must continue toward the TANF eligibility and benefit level of the alien until the alien:

1) becomes a U.S. citizen through naturalization; or

2) has worked, or can be credited with, 40 qualifying quarters of work, provided that the sponsored alien is not credited with any quarter beginning on or after January 1, 1997, during which the sponsored alien receives federal public benefits. (Refer to Section 305 Appendix 4); or

3) leaves the U.S. or no longer holds permanent resident status; or

4) dies or the sponsor dies.

c. Review of Income of Alien Upon Reapplication - Whenever an alien reapplies for TANF benefits, the worker must review the income attributed to the alien.

d. Indigence Exception - If a determination is made by the local agency that a sponsored alien would, in the absence of the assistance provided by the agency, be unable to obtain food and shelter, taking into account the alien's own income, any cash, food, housing, or other assistance provided by other individuals, including the sponsor, the amount of income of the sponsor or the sponsor's spouse which shall be attributed to the sponsored alien shall not exceed the amount actually provided for a period beginning on the date of such determination and ending 12 months after such date.

The local agency must notify the Office of the U.S. Attorney General of each such determination, including the names of the sponsor and the sponsored alien involved. The written notification **should include the reference "Determination under 421(e) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996" and should be sent to the following address:**

U.S. Citizenship and Immigration Services
Statistics Branch
425 I Street NW
Washington, D.C. 20536

e. Special Rule for Battered Spouse and Child - Sponsor deeming requirements are suspended for a 12-month period from entitlement to TANF for sponsored aliens who have been battered or subjected to extreme cruelty and the local department of social services has determined that there is a substantial connection to the need for benefits and the battery or cruelty.

After 12 months, the battered spouse or child may continue to receive assistance if the battery or cruelty was perpetrated by the sponsor and has been recognized by a court order or USCIS determination.

To qualify under this special rule, the batterer must not be residing in the same household as the individual who was subjected to the battery.

Note: This provision only applies if the battered or abused alien entered the U.S. prior to August 22, 1996, but is sponsored on or after December 19, 1997.

f. Reimbursement Procedures - Execution of the affidavit of support, coupled with the sponsored immigrant's acquisition of permanent residence, creates a contract which is legally enforceable. The sponsor is obligated to reimburse government agencies which provide public benefits, including TANF, to the sponsored alien. Procedures for requesting and receiving reimbursement will be issued in a future transmittal. If repayment is received from the sponsor before reimbursement procedures are issued, contact the Regional TANF Specialist for interim instructions.

2. Aliens Whose Sponsor Executed an Affidavit of Support before December 19, 1997

Aliens who applied for immigrant visas and those who filed for an adjustment of status before December 19, 1997, are not subject to sponsor deeming, as the sponsor’s obligation to support expired after three years.

3. Verification of alien status

E. Support from Relatives

1. Spouse, parent, or minor sibling in the home - Under federal regulations, in family groups living together, income of the spouse is considered available for his spouse, income of a parent is considered available for his children under 21,* income of the senior parent(s) is considered available to the minor caretaker's assistance unit,** until the minor parent reaches the age of 18, and income of the ineligible alien parent is considered available to his child's assistance unit. The deeming of income from the parent only applies to minor caretaker and ineligible alien cases as specified in section 305.4 F.**3**.

As specified in Section 302.7, the parent and minor siblings of the eligible TANF children living in the home are ordinarily included in the assistance unit, with their needs and income counted in determining the amount of payment. If the parent or child is not included in the assistance unit for any of the reasons listed in Section 302.7.C. or D., his income is considered available to the assistance unit as follows:

a. If the parent or child is receiving SSI, Auxiliary Grants, adoption assistance, or a foster care payment, none of his income can be counted as available to the TANF assistance unit.

*45 CFR 233.20(a)(3)(vi)
**45 CFR 233.20(a)(3)(xviii)

f. If the parent does not meet the citizenship or alienage requirement, any income he has is considered available to the eligible child(ren) by applying the ineligible alien deeming formula. (See 305.4.F.)* A lump sum payment received by an ineligible alien parent is counted as income **in accordance with 305.4C.**

If a child is ineligible because of his citizenship/alien status, none of his income is available to the assistance unit.

g. The income of the spouse of a parent of TANF children, who is the children's stepparent, is considered available to his spouse and the children for whom she receives assistance. See 305.4F to determine the amount, if any, of the step-parent's income that will be counted in determining the eligibility of the spouse and/or deemed to the children.

h. The parent of a TANF child who is herself a minor (under 18) and is living in the home of her parent(s) must be included in the TANF assistance unit with her child unless specifically excluded per Section 302.7.D. The income of the senior parent(s) will be considered available to the minor caretaker's assistance unit in accordance with 305.4.F. The income of the senior parent(s) will be deemed available to the minor caretaker's assistance unit regardless of whether the minor caretaker has been excluded from the unit for reasons identified in Section 305.4.E.1.b and e.

Additionally, any income of the minor caretaker is considered available to her TANF children, even if he/she is not included in the assistance unit. Earned income disregards are applicable per Section 305.3.B.

i. If the parent or child is excluded or removed from the assistance unit because he/she failed/refused to cooperate in identifying the parents, establishing paternity and securing support per 201.10.A, or failure to provide a Social Security number or show proof of application for a Social Security Number, the parent's/child's earned income, allowing the earned income disregards per Section 305.3.B., and gross unearned income is considered available to the assistance unit. This applies also to individuals who are disqualified per Section 102.3 for being found to have committed an IPV, to an assistance unit member ineligible due to noncompliance with the compulsory school attendance requirement, to a parent excluded because her spouse, the stepparent to the eligible children, is able to meet her needs, and to a parent/child ineligible due to 201.1 F and G.

*45 CFR 233.20(a)(3)(vi)(B)

f. If the parent is a sponsored alien whose income plus that portion of the sponsor's income deemed available to him/her equals or exceeds the alien's pro rata share of the standard of assistance at 90% for the alien and the remaining members of the assistance unit, the children's pro rata share of the alien's countable income (exclusive of the sponsor's income) is considered available to the assistance unit. Allow the earned income disregards per Section 305.3.B. in determining the alien's countable earnings. Note: A lump sum payment received by a sponsored alien parent excluded under this paragraph is counted as income in accordance with 305.4.C.

If the child is a sponsored alien, none of his income is to be counted.

2. Spouse (Stepparent) or parent outside the home - Child support or child support commingled with alimony received or anticipated to be received by the assistance unit is counted as income in the amount actually received, minus the first $100 each month, in establishing initial eligibility on the basis of need for an otherwise eligible assistance unit.

Child support is considered income belonging to the child. If the child is an SSI recipient or a capped child the support will not be counted.

When a non-custodial parent has been assigned a unitary support order for children included in the AU and children not in the AU, the support must be prorated. The TANF worker must:

1. Prorate the support and key in **the VaCMS** the prorated amount for each child.
2. Contact the district DCSE office to insure their knowledge of a unitary payment for children who are TANF and non-TANF (SSI/capped).

DCSE will follow their procedures identified in Clearinghouse #03-DD- 026R.

When a support payment is for a child no longer in the home, count as income any portion of the support used for the AU. Enter the income in **the VaCMS** as a 'Third Party Payment'.

If such support is insufficient to meet the needs, the initial **payment**(s) is to be computed counting all support received prior to the date that the case approval is keyed into **the VaCMS** (See Exception d. below).

All support received after case approval must be redirected to the Division of Child Support Enforcement (DCSE). All subsequent **payment**(s) are to be computed without regard to such income and the amount of the assistance payment will be total needs less all other countable income up to the maximum reimbursable payment. (Refer to 503.9 for retroactive payments at initial application.) The applicant/recipient must be advised that all future support received must be forwarded to DCSE. NOTE: Alimony not commingled with support is to be counted as income. It is not considered as support, is not to be redirected to DCSE, and is not eligible for the $100 disregard.

Exceptions:

a. In the event the caretaker fails to cooperate in redirecting these support payments to the State, the caretaker must **be removed from the assistance unit (201.10). All future support, minus the first $100 each month, anticipated to be received by the caretaker must be considered as income available to meet the needs of the remaining members of the assistance unit until such time support is redirected to the State.**

b. **In the event the caretaker cooperates in redirecting support payments to the Division of Child Support Enforcement and the support is sent back to the client, the support will not be counted as income to the client, neither will an overpayment exist. Benefit workers should contact the district DCSE worker to determine what was sent to the client and the accuracy of the DCSE case status.**

c. **In situations where the client has cooperated and support is being paid to the Division of Child Support Enforcement but the responsible person is also making a support payment directly to the client, the amount being received by the client is to be counted in total as income to the assistance unit. The $100 disregard is not applicable to the additional support received by the family in this situation. The income will be counted against the payment until the new support obligation has been established.**

d. **Pending the establishment of a child support obligation by the District Child Support Enforcement Office, payments made to a third party such as a rental agency in lieu of or in addition to child support, whether based on a court order or a mutual voluntary agreement between the client and the responsible person, must be counted as income to the assistance unit. The $100 disregard is not applicable to third party payments.**

e. **If it is anticipated that an amount less than $100 will not be collected by DCSE after case approval, disregard an amount from the support collected prior to case approval to ensure that a total amount of no more than $100 is disregarded in the initial month of eligibility.**

1. Putative fathers outside the home – In cases involving absent putative fathers, cash contributions are counted as income in the amount received, minus the first $100 each month, in establishing initial and continuing eligibility until such time as the contribution is redirected to the State. Note: If a notarized statement of paternity, a copy of an existing court order for support, or a Virginia birth certificate with the father's name exists in the case record, support received from such person, if absent, must be redirected to the State.

2. Other non-responsible persons – Cash contributions from non-responsible persons, such as cohabitants, are counted as income in the amount received or anticipated in establishing initial and continuing eligibility.

F. Deeming Income – In certain situations, the income of an individual living in the home with the assistance unit must be evaluated to determine what amount, if any, must be considered available to the assistance unit, or deemed, regardless of whether the income is actually made available to the unit. Income deeming is applicable to the following persons:

- a stepparent living with the assistance unit who is not included in the assistance unit. Income of a stepparent will be counted in determining the eligibility of the spouse. Income of a step-parent will also be deemed available to the spouse's natural or adopted child(ren)when the spouse is living in the home. See 305.4F to determine the amount, if any, of the stepparent's income that will actually be counted in determining the eligibility of the spouse and/or deemed to the step-children. The income of the stepparent will not be deemed available to a minor caretaker's assistance unit. Divorce terminates the stepparent's financial responsibility for the step-children, but not the degree of relationship.

- the parent(s) (but not a step-parent) of a minor parent, when the minor parent resides with the parent(s).

- an alien parent who is ineligible for assistance due to his alien status.

The procedures described below are to be used to determine the amount of income that must be deemed available to the assistance unit.

1. Stepparent Deeming Procedures* - The two-step procedure in a. below must be followed to determine eligibility and the **payment** amount when there is a stepparent in the home but not in the assistance unit and the parent is otherwise eligible for inclusion in the assistance unit. If the parent has been excluded from the assistance unit due to any reason other than failure/refusal to cooperate with DCSE, only Step 2 is necessary. If the parent has been excluded due to failure/refusal to cooperate with DCSE, the procedure in b. below is applicable.

   a. Step 1 - Determining Eligibility of the Parent in the Home - Compute the amount of the stepparent's income available to the assistance unit by subtracting the following from the verified anticipated gross monthly earned income (use net profit if from self-employment) and gross unearned income:

      1) The first $90 of gross earned income (deeming disregard);

      2) The standard of assistance for household members claimed or who could be claimed as dependents on the stepparent's federal income tax return, excluding members of the assistance unit.

* Code of Virginia, Section 63.2-614

Exceptions: The needs of an individual(s) who is not in the assistance unit due to an IPV penalty, failure to comply with SSN requirements, or failure to cooperate with DCSE will not be allowed.

If the stepparent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the stepparent.

3) Support, including wage assignments paid to individuals not living in the home who are claimed or could be claimed as dependents on the stepparent's federal income tax return.

If the stepparent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

Verify by statement from the stepparent.

4) Payments for alimony and child support, including wage assignments to individuals not claimed on the stepparent's federal income tax return and not living in the household.

Verify by statement from the stepparent.

Failure of the customer to verify the income of the stepparent will result in ineligibility of the case.

The amount remaining after the above deductions must be compared to the standard of assistance for the assistance unit. If the stepparent's income is less than the standard of assistance for the number of persons in the assistance unit, the parent's needs are included on the payment, and no stepparent income is deemed available. Only the income of the parent and child(ren) is to be considered in determining the payment amount. (Step 2 is not applicable in this instance.)

If the remaining amount equals or exceeds the standard of assistance for the number of persons in the assistance unit, the parent is not included in the assistance unit, and the child(ren)'s eligibility must be determined according to step 2.

Step 2 - Eligibility Determination For the Children When the Parent's Needs Must Be Excluded From the Payment - Determine the child(ren)'s eligibility and payment amount by counting the parent's income, the child(ren)'s income, and that portion of the stepparent's gross income in excess of 150% of the poverty level for two persons (the parent and stepparent), which is **$2,114.00**. The latter is a standard amount and must be used in all cases regardless of the actual number of dependents the

stepparent has. Countable income is to be deducted from the standard of assistance for the assistance unit.

b. Stepparent Deeming Procedure Used When the Parent in the Home Refuses/Fails to Cooperate With DCSE - When it is determined that the parent of the TANF child(ren) has failed or refused to cooperate with DCSE, the stepparent's income must be deemed available to the assistance unit, calculating the deemed amount in accordance with 305.4.F.l.a.1) – 4). The deemed income, in addition to the income of the parent and child(ren) must be counted to determine the assistance unit's eligibility and payment amount.

Failure of the customer to verify the income of the stepparent will result in ineligibility of the case.

c. Stepparent Deeming When the Parent Is Not in the Home With the Stepparent - The income of the stepparent will not be deemed when the natural/adoptive parent of the TANF children is not living in the home due to separation, divorce, death or incarceration. However, when the stepparent and the natural/adoptive parent are living apart due to military duty, employment, or other reason, and they both consider themselves to be living as husband and wife, they will not be considered separated and the income of the stepparent will be deemed.

If the stepparent is included in a TANF assistance unit, policies and procedures applicable to assistance unit members apply instead of the deeming procedures.

Note: A lump sum payment received by an eligible child's stepparent is considered available to the assistance unit as described at 305.4C.

Example 1:

Ms. P. is applying for TANF for herself and her 3 children. Ms. P. receives unearned income in the amount of $50 per month, and each of the 3 children receives unearned income in the amount of $50 per month, as well. Ms. P.'s husband (not the children's father) is employed and earns $**2,121** per month. Mr. P. has no other dependents.

1. To determine Ms. P.'s eligibility to be included in the AU:

Mr. P.'s income	$**2,121.00**
Less $90 deeming disregard	- 90.00
	$**2,031.00**
Less standard of assistance for 1 (Group II)	- 197.00
Amount deemed available to Ms. P.	**$1,834.00**
Standard of assistance for a 4-person AU	**$ 434.00**

Since the portion of Mr. P.'s income which is deemed available to Ms. P. exceeds the standard of assistance for 4 persons, she is not eligible to be included in the AU.

2. To determine the 3 children's eligibility, and, if eligible, the payment amount:

Stepparent's (Mr. P.'s) income	**$2,121.00**
150% of poverty guidelines for 2 (monthly)	**-2,114.00**
Amount exceeding 150% of poverty guideline	$7.00
Standard of assistance for a 3-person AU	$ 363.00
Less total countable income ($7.00-amount of Mr. P.'s income which exceeds 150% of poverty guidelines, plus $50.-Ms. P.'s unearned income, plus $150 the children's unearned income for a total of $207 in countable income.	- 207.00
Payment amount	$156.00

Example 2:

Ms. J., who has been receiving TANF on behalf of herself and her 2 children reports that she remarried over the weekend. Ms. J. receives unearned income in the amount of $100 per month. Her husband, Mr. J. is employed, with earnings in the amount of $800 per month. Mr. J. has 3 children who live with his former wife, for whom he pays support in the amount of $400 per month.

1. To determine Ms. J.'s eligibility to be included in the AU:

Mr. J.'s income	$ 800.00
Less $90 deeming disregard	- 90.00
	710.00
Less standard of assistance for I (Group II)	- **197.00**
	$ **513.00**
Less support paid by Mr. J. to non-household dependents	- 400.00
Income deemed available to Ms. J.	**$113.00**
Standard of assistance for a 3-person AU	**$363.00**

Since the portion of Mr. J.'s income which is deemed available to Ms. J. is less than the standard of assistance for 3 persons, she is eligible to be included in the AU. Proceed to payment calculation, since Ms. J. is eligible.

2. To determine the payment amount:

Standard of assistance for a 3-person AU	**$ 363.00**
Less countable income (Ms. J.'s unearned income)	- 100.00
Payment amount	**$ 263.00**

Example 3:

Ms. L. is applying for TANF for herself and her 2 children. Her husband (not the children's father), Mr. L., is employed and earns **$2,158** per month. Mr. L. has 1 child, who lives in the household also.

1. To determine Ms. L.'s eligibility to be included in the AU:

Mr. L.'s income	**$2,158.00**
Less $90 deeming disregard	- 90.00
	$2,068.00
Less standard of assistance for 2 (Group II) to include Mr. L. and his child	- 289.00
Income deemed available to Ms. L.	**$1,779.00**
Standard of assistance for a 3-person AU	**$ 363.00**

Since the portion of Mr. L.'s income which is deemed available to Ms. L. exceeds the standard of assistance for 3 persons, she is ineligible to be included in the AU.

2. To determine the 2 children's eligibility, and if eligible, the payment amount:

Stepparent's (Mr. L.'s) income	**$ 2,158.00**
150% of poverty guidelines for 2 (monthly)	**- 2,114.00**
Amount exceeding 150% of poverty guidelines	$ 44.00
Standard of assistance for 2-person AU	**$ 289.00**
Less total countable income ($44.00 -amount of Mr. L.'s income which exceeds 150% of poverty guidelines)	- 44.00
Payment amount	$ **245.00**

The two children are eligible for TANF. Though Mr. L.'s gross income exceeds 150% of poverty guidelines, his countable income does not exceed the standard of assistance for an AU of 2.

2. Deeming Income in Minor Caretaker and Ineligible Alien Cases* - Income must also be deemed to an assistance unit in the following situations. Applicable policies and procedures are explained below.

a. Minor Caretaker Living with Senior Parent(s) - When living together, the income of a senior parent(s) is to be deemed available to the minor caretaker's assistance unit.'" The senior parent's income must be considered available to the eligible child(ren) by applying the deeming procedure in Section 305.4.F.2.c. below. A stepparent's income is not deemed available to a minor caretaker's assistance unit.

When the minor caretaker is an SSI recipient, and lives in the home of his/her parent, the income of the senior parent(s) is deemed available to the minor caretaker's TANF assistance unit. If eligibility for TANF exists, the Social Security Office must be informed that the income is being counted for TANF purpose. The EW must document the case record to show that the Social Security office has been advised that the minor caretaker's parent's income is being counted for TANF purposes.*

b. Ineligible Alien Parent - If a parent living in the home with the eligible TANF child is an alien and is ineligible for assistance for himself due to his alien status, the parent's income must be considered available to the eligible child(ren) by applying the deeming procedure in Section 305.4.F.2c.below.

*45 CFR 233.20(a)(3)(xviii)

c. Calculating the Deemed Amount – Federal regulations provide the following procedure for determining the amount of income to be deemed available to the TANF assistance unit from the senior parent(s) or an ineligible alien parent,* or a stepparent when the parent is not residing in the home because of military duty, employment or other reason, but the stepparent and parent are married and consider themselves to be living as husband and wife.

The amount to be deemed available is computed by subtracting the following from the verified anticipated gross monthly earned income (use net profit for earnings from self-employment) or gross unearned income of the senior parent(s), ineligible alien parent, or stepparent**:**

1. The first $90 of gross earned income of each employed person (the deeming disregard)

2. The standard of **assistance** for household members claimed or who could be claimed as dependents on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return, excluding members of the assistance unit.

   If the senior parent, stepparent, or ineligible alien parent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

   Verify by statement from the senior parent, stepparent, or ineligible alien parent.

   Exceptions: The needs of an individual(s) who is not in the assistance unit due to an IPV penalty, failure to comply with SSN requirements, failure to comply with the declaration of citizenship/alienage status requirement, or failure to cooperate with DCSE will not be counted in determining the number of dependents.

3. Support, including wage assignments paid to individuals not living in the home who are claimed or could be claimed as dependents on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return.

   If the senior parent, stepparent, or ineligible alien parent has not previously filed a return or states that he will claim a different number of dependents for the current year, use the number of dependents he intends to claim for the current year.

*45 CFR 233.20(a)(3)(vii)

Verify by statement from the senior parent, stepparent, or ineligible alien parent.

4. Payments for alimony and child support including wage assignments to individuals not claimed on the senior parent's, stepparent's, or ineligible alien parent's federal income tax return and not living in the household.

Verify by statement from the senior parent or the ineligible alien parent.

The amount remaining after the above deductions will be compared to the Standard of Assistance in determining the eligibility of the AU and the payment amount, if any.

Example 1: The parent of a minor caretaker applies for assistance for the minor caretaker's child. The senior parent explains that she is employed, is able to support her daughter, but does not feel that she should have to support her daughter's child. Because the child of a minor caretaker is not eligible for assistance unless the minor caretaker is also included in the AU, the senior parent must make application for both her daughter and the grandchild. TANF eligibility is determined as follows:

Gross Income of Senior Parent	$ 1760
Less $90 Deeming Disregard	- 90
	$ 1670
Less Standard of Assistance for 1 person, Group III	-**275**
Group III Amount deemed available to AU	**1395**
Standard of Assistance for 2, Group III	**$367**

$**1395** > $**367** (SOA for 2) – AU is ineligible

Failure of the client to verify the income of the senior parent or the ineligible alien parent will result in ineligibility of the case.

In situations where the income of a senior parent(s) is being deemed available to more than one assistance unit, the amount to be deemed will be divided equally among the units for which the parent(s) is responsible.

Note: A lump sum payment received by a senior parent or an ineligible alien parent is considered available to the assistance unit as described at 305.4C.

*45 CFR 233.20(a)(3)(vii)

a. Home Energy Assistance - Payments made directly to a household for home heating or cooling provided by suppliers of home energy, such as electric and gas companies and fuel oil dealers, must be counted as income.* When payments are received jointly by a household composed of TANF and non-TANF individuals, including SSI recipients, the TANF assistance unit's pro rata share, based on the total number of persons in the household, must be considered as income to the TANF unit.

The pro rata share of non-TANF and SSI individuals is not to be counted.** Note: Payments made through the Virginia Energy Assistance Program administered by local departments of social services are not considered home energy assistance and are disregarded per Section 305.4.A.16.

b. Public Assistance Benefits Received From Another State - It is possible for individuals who move from another state to Virginia to receive assistance from both states in the same month. However, the assistance paid by the state of prior residence must be considered in determining eligibility and benefit amount in Virginia. The amount of assistance received by the assistance unit from the former state is to be treated as unearned income in the month received.

Example 1: An applicant applies in Virginia on August 30 and receives a payment from Pennsylvania for $100 in September which covers the period of the last week of August and the first week of September. If the assistance unit is eligible for assistance in September and the S0A is **$363**, the $100 of unearned income is subtracted from **$363**, for a payment of **$263**.

Example 2: A Group II locality receives an application on September 2 requesting assistance for a parent and two children. The family received a TANF payment from another state on September 1 for $100 covering the period September 1-15, and the case is terminated in the former state effective September 15. The agency determines eligibility on September 10 (date of authorization). The first payment is calculated as follows:

$363 - $100	= **$263**	- monthly deficit
$344/30	= **$12.10**	- daily rate
$12.10 x 21 days	= **$254.10**	-prorated deficit
$254 payment (rounded down)		

c. Royalties are considered unearned income.

d. Interest earned on cash assets in excess of $10 a month, such as a bank account or certificate of deposit, is considered unearned income in the month received (available) unless anticipated to be received less often i.e., quarterly, annually, etc., in which case it may be prorated over the period earned if requested by the applicant/recipient. Guidance in Section 305.1.B.2 is applicable in determining if the income is "reasonably certain" to be received and, if so, the methods available to use to calculate the anticipated amount. Exception: Interest accrued on exempted Virginia Individual Development Accounts (VIDA) or Assets for Independence Act (AFIA) funds is not countable income.

* 45 CFR 233.20(a)(3)(xiv)
** 45 CFR 233.53(c)(2)

H. Benefits and Services Received in Lieu of Income - When an applicant or recipient appears to be working but is not paid directly, the worker must determine whether there is an identifiable amount that must be considered as income. Such arrangements must be evaluated using the following guidance:

If the client performs services but receives no pay directly, and there is an identifiable amount of income that could be paid directly to the client, count the identifiable amount as income.

If the client performs services but is not paid directly, and there is no identifiable amount of income that could be paid to the client, no income is counted.

Examples:

1. Situation #1: An applicant/recipient works for an employer and, in lieu of wages paid directly to the applicant/recipient, the employer pays an expense on behalf of the applicant/recipient. In this situation, there is an identifiable wage and even though it is not paid to the client it must be counted as earned income.

2. Situation #2: The applicant/recipient barters for services. There is an exchange of services for which no income should be counted. For example, an applicant or recipient receives shelter at no cost in exchange for babysitting and housekeeping services.

305.5 INCOME OF EXCLUDED CHILDREN REQUIRED TO BE IN THE ASSISTANCE UNIT – When a child is excluded from the assistance unit due to lack of verification of categorical requirements for the child (See 201.1.A.), or when such child fails or refuses to meet conditions of eligibility (See 201.1.B), that child's needs will not be included in the assistance unit. The earned and unearned income of that child, however, will be considered available to the assistance unit. The earned income disregards are applicable per Section 305.3.B. If the child's income cannot be verified, eligibility for the assistance unit cannot be established. (Refer to Section 305.1.E.3.)

If the child has been determined categorically ineligible to be in the assistance unit, no part of his income will be considered available to the assistance unit, unless it is actually made available to the unit. (See 201.12.A and D for treatment of income of the child subject to the family cap provision.)

Maximum Income Chart

Size of Assistance Unit	Group II	Group III
1	**$394**	**$549**
2	**577**	**733**
3	**727**	**885**
4	**867**	**1,025**
5	**1,025**	**1,220**
6	**1,146**	**1,334**
7	**1,281**	**1,475**
8	**1,431**	**1,625**
9	**1,557**	**1,751**
10	**1,696**	**1,888**
Each person above 10	**$141**	

TANF Payment Calculations

Step (1) Compare total gross countable income of all members of the assistance unit against the maximum income level (see Appendix **1** to Section 305).

The earned income disregards **of Section 305.1A.1** apply to this step.

If income of the A.U. exceeds the maximum income figure, the case is ineligible. If the income of the assistance unit equals or is less than the maximum income figure go to Step 2.

Step (2) To be used for screening initial applications and persons being added to an existing assistance unit. In the following order:

(a) Determine monthly gross countable earned income for the assistance unit.

(b) Deduct the standard deduction, as defined in Section **305.1A.2,** from total gross earned income of the assistance unit if the **case** qualifies for this disregard and the income is not exempted.

(c) Deduct 20% of the remainder of the gross income.*

(d) Deduct anticipated expenses up to the allowable maximum as specified in Section 305.3.B.**5**. for care of each dependent child or each incapacitated adult included in the A.U. if the employed person qualified for this disregard.

(e) Add any unearned income to the adjusted gross earnings.

(f) Screen the remaining income against the standard of assistance for the appropriate locality. If there is no deficit, eligibility does not exist. If there is a deficit, go to Step 3.

Step (3) (a) Determine monthly gross countable income for the assistance unit. In the following order:

(b) Deduct the standard deduction as defined in Section **305.1A.2 if the** income is not exempt **and** if the **AU** qualifies for this disregard.

*** 22 VAC 40-295-60**

(c) Deduct 20% of the remainder* of the assistance unit's earned income if the assistance unit qualifies for this disregard.

(d) Deduct anticipated expenses, up to the allowable maximum as specified in Section 305.3.B.5 for care of each incapacitated adult/child, if appropriate, included in the assistance unit if the member qualifies for this disregard.

(e) Add any unearned income to the adjusted gross earnings. The result net countable income.

Step (4) (a) Choose the appropriate Standard of Assistance for the applicant and members of the assistance unit from the appropriate locality group (Section 304, Appendices 1 and 2).

(b) Subtract the net income, including any unearned income from the Standard of Assistance.

(c) If there is a deficit of $9.99 or less, the assistance unit will be ineligible for a money payment; but the case will be deemed to be eligible for TANF and will be carried as an active TANF case.

* 22 VAC 40-295-60

SSA Quarters of Coverage Verification Procedures for Aliens

For aliens sponsored pursuant to the "Affidavit of Support Under Section 213 of the Act," the sponsor's obligation terminates if the alien has worked or can be credited with 40 quarters of qualified work. This appendix, in conjunction with the State Verification Exchange System (SVES) User Guide, contains the process for determining the number of qualifying quarters with which an alien can be credited.

To determine the number of quarters available to an eligible alien unit member, the EW must obtain answers to the following questions:

1. How many years has the applicant, the applicant's spouse, or the applicant's parents (before the applicant turned 18) lived in this country?

2. How many years has the applicant, the applicant's spouse, or the applicant's parents (before the applicant turned 18) commuted to work in the U.S. from another country before coming to the U.S. to live, or worked abroad for a U.S. company or in self-employment while a legal resident of the U.S.?

   (If the total number of years to both questions is less than 10 years, the agency does not need to ask question 3 because the 40- quarter standard cannot be met.)

3. In how many of the years reported in answer to question 1, did the applicant, the applicant's spouse, or the applicant's parent earn money through work?

   (To determine whether the applicant's earnings were sufficient to establish "quarters of coverage" in those years, the agency should refer to the income chart included in this appendix.)

If the answer to question 3 is 10 years or more, the EW must verify, from USCIS documents or other documents, the date of entry into the country for the applicant, spouse and/or parent. If the dates are consistent with having 10 or more years of work, an inquiry through SVES must be made.

Information received through SVES will not report earnings for the current year nor possibly the last year's earnings. The alien must provide verification of earnings through pay stubs, W-2 forms, tax records, employer records, or other documents, if the quarters of this period is needed to determine if the sponsor's obligation must continue or is terminated.

If the alien believes the information from SSA is inaccurate or incomplete, beyond the current two-year lag period, the alien must be advised to provide the verification to SSA to correct the inaccurate income records.

In evaluating the verification received directly from the alien or through SVES, the EW must exclude any quarter, beginning January 1997, in which the person who earned the quarter received benefits from TANF, SSI, Medicaid, **SNAP** or the food assistance block grant program in Puerto Rico.

Establishing Quarters

The term "quarter" means the 3-calendar-month periods ending with March 31, June 30, September 30 and December 31 of any year.

Social Security credits (formerly called "quarters of coverage") are earned by working at a job or as a self-employed individual. A maximum of four credits can be earned each year.

For 1978 and later, credits are based solely on the total yearly amount of earnings. All types of earnings follow this rule. The amount of earnings needed to earn a credit increases and is different for each year. The amount of earnings needed for each credit and the amount needed for a year in order to receive four credits are **found at the following Social Security Administration website: www.ssa.gov/oact/cola/QC.html**

A current year quarter may be included in the 40-quarter computation. Use the current year amount as the divisor to determine the number of quarters available.

If you need to use quarters before 1978:

- A credit was earned for each calendar quarter in which an individual was paid $50 or more in wages (including agricultural wages for 1951 - 1955);
- Four credits were earned for each taxable year in which an individual's net earnings from self-employment were $400 or more; and/or
- A credit was earned for each $100 (limited to a total of 4) of agricultural wages paid during the year for years 1955 through 1977.