

## ALASKA FOOD STAMP MANUAL

### 602-3 INCOME

Applicant households must report all gross income received and any income it anticipates receiving. All income from any source is countable unless specifically excluded.

Income that is garnisheed is countable. Garnishment is different from recoupment. Recoupment occurs from an income source to repay an overpayment from that source. A garnishment reduces income to pay a debt. Caseworkers must examine the reason income is being reduced to decide if the reduction is a garnishment or a recoupment. See MS 602-3D(21).

### 602-3A EARNED INCOME

#### (1) Wages

- (a) **Definition:** Earned income includes, but is not limited to: monetary compensation for services as an employee, including gross earned income, advances, tips (as reported by the employee) and commissions; military pay; and earnings from on-the-job training programs under the Workforce Investment Act.

Income from babysitting, housekeeping, craft sales, fishing, etc. is considered wages unless the applicant is claiming self-employment. See MS 605-2D for determining self-employment income.

- (b) **Verification:** Acceptable verification includes, but is not limited to, employer's statement which is signed and dated, employer's wage record, paycheck stub, military Leave and Earnings Statement (LES), pay envelope, collateral contact or employee's W-2 form.
- (c) **Budget:** Wages are counted as income in the month received or expected to be received. Earned income received as a single monthly payment will be considered received in the month the income is normally received when mailing cycles or payment schedules cause two paychecks to be received in one month. Late or retroactive payments are considered nonrecurring lump-sum payments. See MS 602-3D(11).

**Note on Military Pay:** The income on the Leave and Earnings Statement (LES) is considered a single monthly payment, even when military personnel receive a mid-month paycheck. For example, a military person receives a mid-month check on November 15 and the end of the month check on November 30. The November LES, showing income for November 1 through 30, is received December 1. The income shown on this LES is countable income for November.

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### (2) **Jury Duty Payments and Witness Fees**

Jury duty payments and witness fees count as earned income in the month received or expected to be received. Any portion of a jury duty payment or witness fee that is designated as a reimbursement for items such as food, lodging, parking or transportation is excluded income. See MS 602-3D(13).

### (3) **Employees Working on Contract**

Persons who are employed under a contract and are not paid for their contractual work on at least a monthly basis will have their earnings prorated over the number of months covered by the income. However, any draws or wages received in advance of the contractual earnings are treated as earned income in the month received or expected to be received.

The months covered by the contractual income are the months in which the employee is actually working under the terms of the contract.

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### (4) **Government Sponsored Training Programs**

- (a) **Definition:** Income received from government sponsored training programs includes training allowances from vocational and rehabilitation programs such as from the Division of Vocational Rehabilitation. Any portion that is not a reimbursement is considered earned income.
- (b) **Verification:** Government sponsored programs are verified as above in MS 602-3A(1)(b).
- (c) **Budget:** This income is counted in the month received or expected to be received. Income in the form of a single monthly payment will be considered received in the month it is normally received if mailing cycles or payment schedules cause receipt of two payments in one month. Late or retroactive payments are considered nonrecurring lump-sum payments. See MS 602-3D(11).

### (5) **Self-Employment Income**

- (a) **Definition:** Self-employment includes occupations such as small business, crafts, boarding house manager/owner, ownership of rental property (in which the household member is actively managing the property a minimum of 20 hours a week) and seasonal self-employment such as fishing. See MS 605-2D.
- (b) **Verification:** The applicant is responsible to verify all income and expenses claimed. Acceptable sources of verification are tax records, bookkeeping records, and account statements.
- (c) **Budget:** For budgeting self-employment income see MS 605-2D.

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## 602-3B UNEARNED INCOME

### (1) Public Assistance

- (a) **Definition:** Public assistance income includes TANF payments (Alaska Temporary Assistance Program and Native Family Assistance) and Adult Public Assistance payments (Aid to the Disabled, Aid to the Blind, Old Age Assistance, Interim Assistance).
- (b) **Verification:** Verify through the DPA case file or EIS computer screen, or Native Family Assistance agency.
- (c) **Budget:** Public assistance income belongs to the person(s) it is intended to cover. The monthly benefit received by the household is counted as unearned income in the month of intended use.
- A payment made as a single monthly payment is considered received in the month of intended use when mailing cycles or payment schedules cause the payment to be made early.
  - A payment received after the month of intended use is late; late or retroactive payments are considered nonrecurring lump-sum payments, and excluded as income.

#### ***Exceptions:***

Reductions due to Fraud: When a TANF or APA benefit is reduced to repay a fraud overpayment, the calculation of the food stamp allotment will use the TANF or APA amount the household would have received without the grant reduction. This applies only if a formal fraud finding has been determined by the administrative disqualification process or a conviction by court. See MS 604-3I.

Reductions due to Imposed Penalty: When a TANF benefit is reduced as a result of an imposed penalty for failing to comply with a TANF program requirement, the household's food stamp allotment will be reduced.

- When the Alaska Temporary Assistance or CITC Native Family Assistance benefit is reduced, EIS is programmed to reduce the food stamp allotment by 25%.
- When the AVCP, T&H, or TCC Native Family Assistance benefit is reduced, the caseworker will use the TANF benefit amount the household would have received had the penalty not been imposed.

**Note:** The food stamp benefit is not reduced when there is no Alaska Temporary Assistance or Native Family Assistance benefit issued in the month.

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### (2) SSI/SSA/VA Income

- (a) **Definition:** Social Security benefits (SSA) - retirement, survivor's disability and dependents benefits; Supplemental Security Income (SSI) - aged, blind and disabled person's benefits; and Veteran's benefits are considered unearned income.
- (b) **Verification:** Verify with a copy of the current check; current Social Security or VA award letter; a statement from Social Security or Veteran's Administration verifying the monthly amount; SDX/Bendex printouts; or EIS interface screen.
- (c) **Budget:** The monthly entitlement including the cost of Medicare, if deducted, is counted as income in the month of intended use.
- A payment made as a single monthly payment is considered received in the month of intended use when mailing cycles or payment schedules cause the payment to be made early.
  - A payment received after the month of intended use is late; late or retroactive payments are considered nonrecurring lump-sum payments, and excluded as income.
  - If a portion of the payment is returned to repay an overpayment, the portion recouped is not counted as income.
  - The portion of the SSI payment that is deducted as a payee fee, up to 10% of the monthly benefit not to exceed \$32\*, is excluded. If the client's disability is based on drug addiction or alcoholism, the fee can be 10% of the monthly benefit not to exceed \$61\*. To qualify to collect a payee fee, the organization must be a community based nonprofit social service agency. (\*Fee amounts effective December 2004)

### (3) Child Support Payments

- (a) **Definition:** Child support income includes:
- Payments received from the noncustodial parent or a child support enforcement agency, including full or partial monthly obligation payments, payments toward obligation arrearages, and voluntary payments.
  - Payments paid by the noncustodial parents to a third party to pay for a household expense. See MS 602-3B(6) and MS 602-3D(3) for policy on countable and excludable vendor payments.
  - Child Support Services Division (CSSD) pass-through payments paid through DPA or a Native Family Assistance Program agency to a TANF recipient.

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- (b) **Verification:** Includes, but not limited to, CSSD computer screen, the CSSD payment stub, a signed statement from the noncustodial parent, the TAIH screen on EIS showing the issuance of a pass-through payment.
- (c) **Budget:** Child support payments are counted as income to the person receiving it in the month of intended use.

### When the person receiving child support is **not** a TANF recipient:

Determine the household's monthly child support income by considering all child support received and expected to be received. See MS 603-1 for policy on estimating income.

- **When there is a history of current payments and the payments are expected to continue**, calculate a monthly estimate by averaging the prior payments.
- **When there is no history of payments but payments are expected**, estimate the anticipated income using information provided by the household. This may include a court order verifying the amount of the child support payment and date the payments are anticipated to be received.

One-time child support arrearage payments are treated as nonrecurring lump-sum payments and excluded as income. See MS 602-3D(11).

### When the person receiving child support is a TANF recipient:

- CSSD pass-through payments paid through DPA or a Native Family Assistance Program agency to a TANF recipient are counted as unearned income.
- Only the first \$50 per month received and kept by TANF recipients directly from the noncustodial parent is countable. The remainder is considered "assigned child support" and is excluded income. "Assigned child support" is child support given or paid to TANF recipients that should be turned over to a child support agency to maintain TANF eligibility.
- Child support payments received by TANF recipients from a child support enforcement agency are "disbursements" and are countable income. However, payments made in error are excluded income.

**Note:** A TANF applicant becomes a recipient the moment the caseworker authorizes the TANF benefit on EIS. All direct child support payment received and kept prior to this authorization is countable income.

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### (4) **Third-Party Payee**

- (a) **Definition:** Payments made to a third-party payee on behalf of a recipient. For example, SSI, SSA and ATAP payments assigned to payees who represent recipients unable to manage the payments.
- (b) **Verification:** Includes, but not limited to, a signed statement from the agency that designated the third-party beneficiary, and a copy of the checks received.
- (c) **Budget:** The payment used for the care and maintenance of the recipient is considered income to the recipient in the month received. Money received in the form of a single monthly payment will be considered received in the month it is normally received if mailing cycles or payment schedules cause two payments to be received in one month. Late or retroactive payments are considered nonrecurring lump-sum payments. See MS 602-3D(11).

### (5) **Educational Income**

Education assistance that is not funded under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance program funds is excluded as income if it is used or will be used for paying tuition, fees, or other necessary education expenses at any educational institution, including vocational, technical, and correspondence schools, and schools for people with disabilities.

Any portion of education assistance that is not used or set aside for paying tuition, fees, or other necessary education expenses is countable unearned income.

See MS 605-1B for budgeting procedures.

(6) **Countable Vendor Payments**

- (a) **Definition:** Vendor payments are cash payments made by a person or organization outside of a household directly to a provider (vendor) to meet expenses for the household. In general, a vendor payment is countable income if the household is legally entitled to the payment or legally eligible for it. **Exceptions:** Housing assistance from the Alaska Housing Finance Corporation (AHFC) or a local government housing authority and heating assistance payments are specifically excluded as income.

When determining if the vendor payment should be counted as income to the household, distinguish whether the person or organization making the payment on behalf of the household is using funds that otherwise would have to be paid to the household. If the person or organization making the vendor payment owes the money to the household, the money must be counted as income to the household.

**Example:** A court order specifies that a former spouse (in the food stamp household) be paid \$450 per month child support. At the former spouse's request, the \$450 is sent instead to the landlord for rent. The money is owed to the former spouse (by court order), so it is countable income for the household.

- (b) **Verification:** Includes, but is not limited to, a letter from the payer, a copy of the legal agreement, or collateral contact.
- (c) **Budget:** A vendor payment, which is not exempt income, is considered unearned income to the household in the month it is received by the vendor. Money received in the form of a single monthly payment will be considered received in the month it is normally received if mailing cycles or payment schedules cause two payments to be received in one month. Late or retroactive payments are considered nonrecurring lump-sum payments. See MS 602-3D(11).



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### (7) Other Sources of Countable Unearned Income

(a) **Definition:** The following are considered other sources of unearned income (not all-inclusive):

- Workers' Compensation;
- Unemployment Insurance Benefits (UIB), including amounts garnisheed. See MS 602-3;
- Other assistance payments, such as Alaska SeniorCare Program payments;
- Annuities, pensions, retirement, and disability benefits.  
**Note:** Annuity payments paid quarterly shall be averaged over the three months and counted as monthly income; annuity payments paid annually shall be averaged over twelve months and counted as monthly income.
- Alimony payments;
- Rental income (gross income minus costs of doing business). Costs of doing business may include the mortgage, taxes, and insurance. See MS 605-2D(3) for a complete list of costs of doing business. When a household member is actively engaged in the management of the property at least 20 hours per week, it will be considered earned income.
- The total foster care payment made to a household for a legally assigned foster child or adult, if the foster child/adult is included as a member of the household. If the child/adult is not included, the foster care payment is not included as income to the household. See MS 605-1C.
- Dividends (including Permanent Fund Dividend, see MS 605-7), interest, royalties and similar recurring payments;
- Excess reimbursements. When payments received as an advance or reimbursement for volunteer job training or work-related services exceed the expense incurred, the excess amount is included as income;
- Strike benefits;

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- Cash payments, including payments to a household from a wage earner not residing with the household because of his or her employment.
- Deposits made to bank accounts owned or jointly owned by the household, unless identified as income previously considered. A deposit made to a joint "or" account will be considered income to the household unless it can be documented that the deposit is not intended for and will not be used by the household.

### ***Increased Unearned Income Due to Combat Pay Excluded:***

Additional payment received by a member of the US Armed forces deployed to a designated combat zone is excluded income for the duration of the deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone. Military pay is usually made available to the family at home via a direct deposit of all or a portion of the military person's pay into a joint checking account.

### **To determine the amount to exclude as combat pay:**

First, establish the amount of the military person's pay that was actually available to the household prior to the deployment of the military person to a designated combat zone.

Next, determine the amount of the military person's pay that is available to the household following the deployment of the military person to a designated combat zone.

Exclude any portion of the current amount that exceeds the amount the household received prior to deployment.

- Any money benefit not otherwise exempted.
  - Lottery winnings. **Note:** Lottery winnings paid on an annual basis shall be averaged over twelve months and counted as monthly income.
  - Bureau of Indian Affairs (BIA) General Assistance Program payments made to the household, or to a vendor on behalf of the household, is countable income if received by the household or vendor in the month of intended use. If the BIA-GA payment is received after the month of intended use, the payment is exempt as income and counted as a nonrecurring lump-sum payment in the month of receipt. See MS 602-3D(28).
- (b) **Verification:** Acceptable verification includes, but is not limited to, a copy of the payment check, UIB award letter or printout, pension

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award notice, DPA agency records, divorce or separation papers, a signed statement from the payer, or EIS interface information.

- (c) **Budget:** Unearned income is counted in the month it is received by the household. **Exceptions:**
- Unearned income received in the form of a single monthly payment is considered received in the month it is normally received when mailing cycles or payment schedules cause two payments to be received in one month.
  - Late or retroactive payments are considered nonrecurring lump-sum payments, and disregarded as income. See MS 602-3D(11).
  - Annuity payments paid quarterly shall be averaged over the three months and counted as monthly income; annuity payments paid annually shall be averaged over twelve months and counted as monthly income.
  - Lottery winnings paid on an annual basis shall be averaged over twelve months and counted as monthly income.

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### OTHER INCOME

- (1) **Definition:** Certain income will be attributed to the household from individuals not considered to be household members. These situations include:
- (a) Households with a member disqualified as an ineligible alien or for failure to provide a social security number or declare citizenship. A prorated share of the excluded member's income is considered in determining eligibility and benefit amount. See MS 605-2B.
  - (b) Households with a member disqualified as a convicted drug felon or a fleeing felon or for an intentional program violation or failure to comply with work requirements. The excluded member's total income, minus the earned income deduction, is considered in determining eligibility and benefit amount. See MS 605-2B.
  - (c) Households containing sponsored aliens. These households must count a portion of the sponsor's income. See MS 605-2A.
- (2) **Verification:** Acceptable verification depends on the type and source of income.
- (3) **Budget:** Determine the income and allowable deductions attributed to the household as described in MS 605-2A and MS 605-2B.

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### 602-3D EXEMPT INCOME

#### (1) **Title IV Higher Education Act and Bureau of Indian Affairs Grants and Awards**

The total amount of any grant, scholarship, or award issued under any program funded under the Title IV of the Higher Education Act or under a Bureau of Indian Affairs student assistance program is not counted as income in determining eligibility or benefit amount.

Payments that fit this category include:

- Pell Grants
- State Student Incentive Grants (SIG)
- Academic Achievement Incentive Scholarships
- Byrd Scholars
- Federal Supplemental Educational Opportunities Grants (FSEOG)
- Federal Educational Loans (Federal PLUS Loans, Perkins Loans, Stafford Loans, Ford Loans, etc.)
- Upward Bound
- Gear Up (Gaining Early Awareness and Readiness for Undergraduate Programs)
- LEAP (Leveraging Educational Assistance Partnership)
- SLEAP (Special Leveraging Educational Assistance Partnership)
- Work-Study Programs

Verify that the source of the education assistance is Title IV or BIA by viewing the individual's award letter. Contact the awarding institution if the award letter is not available or is unclear.

#### (2) **Other Education Assistance**

Education assistance that is not funded under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance program funds is excluded as income if it is used or will be used for paying tuition, fees, or other necessary education expenses at any educational institution, including vocational, technical, and correspondence schools, and schools for people with disabilities.

Any portion of education assistance that is not used or set aside for paying tuition, fees, or other necessary education expenses is countable unearned income.

(3) **Work-Study Earned Income**

College or university students may be enrolled in a work-study program in which they attend school part-time and work part-time at a job. Any income an applicant or recipient earns from employment in a work-study program will not be counted as income.

This disregard applies to both adults and children. The caseworker must verify that part-time employment of an applicant or recipient who claims to be in a work-study program is in fact a work-study job and not an individually acquired regular part-time job.

(4) **Loans**

All bona fide loans, including educational, personal, and commercial loans, are disregarded as income. A bona fide loan is a debt that the borrower has an obligation to repay and expresses his or her intention to repay.

The bona fide nature of a loan must be verified and documented in the case file. Commercial and educational loans can normally be verified by seeing a copy of the written loan agreement or a document identifying the payment as a loan. In the case of personal loans, written documentation from the lender and the borrower must be provided as verification of the bona fide nature of the loan. This verification must provide, at minimum, acknowledgment by the borrower and lender that an obligation to repay the loan exists, and acknowledgment by the borrower that he or she intends to repay the loan (with or without interest).

If it is determined the funds received are not from a bona fide loan, (there is no repayment obligation or the borrower has no intention of repayment) the amount received may or may not be countable income, depending on the source of the funds. All or some of the money may be exempt, such as a charitable contribution or excluded vendor payment, or counted as unearned income, such as a gift received directly from the source.

(5) **Exempt Vendor Payments**

Money payments made on behalf of the household by nonhousehold members to third parties are exempt income unless payment is a countable vendor payment as defined at MS 602-3B(6). A vendor payment is exempt when it is a gift, or when the household is not legally entitled to it, or when the household is not legally eligible for it.

**Examples:**

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- TANF supportive service payments paid to a vendor.
- A court order specifies that a food stamp household member be paid \$450 per month child support. The payment is made directly to the household member, and an extra \$250 is sent to the landlord to cover part of the household member's rent. The additional \$250 represents a gift, and is an exempt vendor payment.
- A court order specifies \$500 child support payment be paid to a food stamp household member and \$800 be paid to the household's landlord to cover the rent. The \$500 is countable unearned income. The \$800 court-ordered vendor payment is excluded income because it represents in-kind income, shelter, not money. See MS 602-3D(6).
- A church pays the food stamp household's rent. This is an exempt vendor payment because the payment is a gift.

### (6) **In-Kind Income**

Any gain or benefit that is not in the form of money is exempt income, such as shelter, produce from a garden, clothing, non-cash employee benefits, Medicare Part D Low-Income Subsidy, and SeniorCare prescription drug benefit.

### (7) **Wages Held**

Wages held by an employer without the employee's approval are exempt income, except for garnishments. See MS 602-3.

### (8) **Irregular Income**

Income received too infrequently or irregularly to be reasonably anticipated is exempt. See MS 603-1E for policy on budgeting irregular income.

### (9) **Sporadic Income**

Cash awards, gifts, prizes, and winnings (such as from bingo and dog mushing) that cannot be anticipated are exempt.

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### (10) Charitable Contributions

Cash donations based on need, up to \$300 per quarter, from private, nonprofit (as determined by the IRS) charitable organizations are exempt. For this provision, quarters are January-March, April-June, July-September, and October-December. Cash donations over \$300 per quarter are not excluded. For example, a household receives \$200 in May and \$200 in June. The \$200 May payment and \$100 of the June payment is excluded; \$100 is countable income in June.

### (11) Housing Assistance and Utility Assistance Payments

#### (a) Heating or Energy Assistance

Payments or allowances made under any federal law for heating or energy assistance are exempt income. These include Heating Assistance Program payments from the State of Alaska Division of Public Assistance and Heating or Energy Assistance Program payments from a Native organization.

**Note:** A utility expense covered by heating assistance is considered an out-of-pocket expense incurred by the household. Households receiving heating or energy assistance are entitled to the heating utility standard. See MS 602-4E(2).

#### (b) Public Housing and Section 8 Housing Choice Voucher Subsidies

The U. S. Department of Housing and Urban Development (HUD), through Alaska Housing Finance Corporation (AHFC) or a Native or Regional Housing Authority, and Farmers Home Administration (FHA) make payments directly to a landlord for rent and/or utility costs. These payments are excluded vendor payments. The portion of the rent or utility bills paid by this payment is not allowed as a shelter expense.

However, when households that are in public housing or that receive Section 8 Housing Choice Voucher subsidies are responsible for paying utility costs, the AHFC or the Native or Regional Housing Authority may make a payment to the household. This payment is called a “utility allowance” or “utility reimbursement” and is excluded as income.

Households receiving a utility allowance are entitled to the appropriate heating or non-heating utility standard since the amount of the utility expense usually exceeds the amount of the utility allowance. See MS 602-4E(2).

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### (c) **Alaska Power Cost Equalization Program**

Alaska Power Cost Equalization Program payments applied to the household's electric bill are excluded vendor payments. These payments are not considered heating or energy assistance. The utility expense covered by the payment is not allowed as a shelter expense. See MS 602-4E(1)(b).

### (12) **Alaska Native Claims Settlement Act Income**

Alaska Native Claims Settlement Act (ANCSA) Alaska Native corporation payments to shareholders are exempt.

### (13) **Nonrecurring Lump-Sum Payments**

Nonrecurring lump-sum payments are one-time cash payments that generally represent monies owed to the household from the past. These payments are excluded as income and counted as a resource. They may include one-time cash payments or retroactive benefits from such sources as insurance policies, sale of property, social security or railroad retirement benefits, public assistance or UIB back payments, income tax refunds, etc. It is the household's responsibility to report and provide verification of the nonrecurring lump-sum payment. **Exception:** SSI retroactive lump-sum installment payments are excluded as income even when there are multiple payments.

### (14) **Student Reimbursements or Allowances**

Any payment made under Title IV of the Higher Education Act or under Bureau of Indian Affairs (BIA) student assistance programs is entirely excluded. Other educational income that is either used or intended to be used for allowable educational expenses is excluded. See MS 605-1B for policy on student eligibility and budgeting educational income.

### (15) **Reimbursements**

Reimbursements for past or future expenses, to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household, are exempt. Excluded reimbursements include:

- Payments, including TANF supportive service payments, for job or training related expenses such as travel costs, per diem, uniforms, and transportation to and from the job or training site.
- Payments for medical expenses.
- Reimbursements for dependent care, e.g., PASS child care payments.



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**Exception:** Reimbursements for normal household living expenses such as rent, personal clothing, and food eaten at home are considered a gain or benefit and are not excluded.

Reimbursements will not be considered to exceed actual expenses unless the provider or the household indicates the amount is excessive.

### (16) **Monies Received for Care of Third Parties**

Funds provided and used for the care of a third party beneficiary who is not a household member (third party payee) are exempt. For example, a household receives child support for a child not living in the home. The household sends the child support to the child. This child support is not income to the household. This also includes situations where separate households share rent and one household receives a rent payment from the other and pays the landlord. The household that pays the landlord would not have the money counted as income that was given to it by the other household to pay the rent. See MS 602-3B(4).

### (17) **Earnings of Elementary and Secondary Students Under Age 18**

Earned income of a student is exempt when an individual:

- Is under age 18; and,
- Lives with his or her parents or is under parental control of an adult household member; and,
- Is currently enrolled at least halftime in elementary or secondary school. This exclusion continues during semester breaks and summer vacation.

This income becomes countable effective the month following the month the student becomes 18 years of age or is no longer enrolled in elementary or secondary school and does not plan to resume enrollment, whichever occurs first.

### (18) **Volunteer Payments**

Payments made under any program of the Corporation for National and Community Service (CNCS) are excluded income. This income may be identified under a number of program names, including, but not limited to, AmeriCorps, AmeriCorps-VISTA, AmeriCorps-NCCP (National Civilian Community Corps), National Senior Volunteer Corporation, Retired & Senior Volunteer Corps, Foster Grandparents Program, and Senior Companion Program.

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(19) **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**

The following payments are excluded as income under Title II: payments to persons displaced as a result of the acquisition of real property; relocation payments to a displaced homeowner toward the purchase of a replacement dwelling (such payment may only be to a displaced owner who purchases and occupies a dwelling within one year following displacement); replacement housing payments to a disabled person not eligible for a homeowner's payment.

(20) **WIC**

Payments or benefits received under the Women, Infant, and Children Program (WIC) are exempt.

(21) **Indian Settlement Payments**

Payments to the Grand River Band of Ottawa Indians under P.L. 94-540, and P.L. 96-420, the Maine Indian Claims Settlement Act of 1980, and P.L. 95-433, Section 2, the Yakima, Apache Indians from the Indian Claims Commission are exempt.

(22) **Costs of Producing Self-employment Income**

These costs are exempt. See MS 605-2D for computation of the cost of producing self-employment income.

(23) **Recoupments**

Monies withheld from an assistance payment, earned income, or other income source, or monies received from any income source which are voluntarily or involuntarily returned, to repay a prior overpayment from that income source (provided that the overpayment is not otherwise excluded) are exempt. **Exception:** Recoupments of fraudulently obtained TANF or APA overpayments are not exempt. See MS 602-3B(1).

(24) **Workforce Investment Act (WIA) Payments**

Earnings paid to persons participating in on-the-job training under a Workforce Investment Act program are exempt when the person earning the money is under 19 years old. WIA earnings paid to persons 19 years or older are countable earned income.

Reimbursements and other payments other than earnings paid to persons of any age under any WIA program are exempt.

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(25) **Title V of the Older Americans Act Payments** |

Allowances, earnings and payments from an employer, through a grant under the Senior Community Service Employment Program (SCSEP) are considered exempt income. The SCSEP is administered under Title V of the Older Americans Act, P.L. 100-175.

(26) **Earned Income Tax Credits (EITC)** |

Advance payments of earned income tax credits received from an employer are exempt income. A single tax credit payment received after the end of the tax year is exempt as a nonrecurring lump-sum payment per MS 602-2D(2). Retained EITC funds are excluded as a resource in certain cases. See MS 602-2B(26).

(27) **Wartime Relocation of Civilians Payments** |

Payments to eligible U.S. citizens of Japanese ancestry and resident Japanese aliens up to \$20,000 each, and to eligible Aleuts up to \$12,000 each are exempt.

(28) **Agent Orange Disability Payments** |

Payments to eligible veterans and survivors of deceased veterans from the Agent Orange Settlement Fund, or any other fund established in the private sector in connection with settling liability claims concerning Agent Orange, is exempt income. This exemption does not include VA disability payments for disease attributed to Agent Orange exposure. These VA payments are treated the same as other VA disability payments. See MS 602-3B(2).

(29) **PASS Child Care Payments** |

PASS I, II, and III Child Care payments paid to persons for their child care expenses are excluded income. These payments are countable earned income to the child care provider.

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### (30) **General Relief Assistance Payments**

State of Alaska General Relief Assistance Program payments paid on behalf of the household to a vendor for household expenses such as rent, food, fuel, clothing, utilities, house repair, transportation, and burial are exempt.

Bureau of Indian Affairs (BIA) General Assistance Program burial payments made to a vendor are excluded as income.

See MS 602-3B(7) for policy on counting BIA General Assistance payments.

### (31) **Income Excluded by Federal Law**

Income excluded by federal law is exempt. Refer to a partial listing of these income types at Addendum 5.

### (32) **Plan For Achieving Self-Support (PASS) Income**

Income of SSI recipients used for or deposited into a Plan for Achieving Self-Support (PASS) account approved by the Social Security Administration is excluded.

### (33) **TANF Diversion Payments**

Diversion payments made under a Temporary Assistance for Needy Families (TANF) program such as the Alaska Temporary Assistance Program or a Native Family Assistance TANF Program are considered non-recurring lump sum payments and are excluded as income.

**Note:** Household expenses paid with Diversion payments, such as shelter costs or dependent care, are allowable deductions.

### (34) **Energy Employees Occupational Illness Compensation Payments**

The Energy Employees Occupational Illness Compensation Act provides compensation to individuals who develop illnesses as a result of employment at certain federally owned facilities in which radioactive materials were used. These payments are exempt income.

### (35) **Subsidized Adoption Payments**

Subsidized adoption payments are intended to cover expenses incurred due to the special needs of an adopted child. These payments are exempt.