

COMMONWEALTH OF VIRGINIA
WORKFORCE INVESTMENT ACT

VIRGINIA COMMUNITY COLLEGE SYSTEM

FIELD GUIDANCE MEMORANDUM #02-08

TO: LOCAL WORKFORCE INVESTMENT BOARDS
FROM: WORKFORCE DEVELOPMENT SERVICES
SUBJECT: DEFINITION OF FAMILY INCOME
REVISION DATE: NOVEMBER 2010
ORIGINAL DATE: JULY 1, 2002

This document offers guidance on what is to be considered “included” and “excluded” income for purposes of determining “low income” under Title IB of the Workforce Investment Act.

Family Income

Family income is the income received from included sources of income for all members of the “family,” as defined in Field Guidance Memorandum #02-07, Definition of Family. Income is defined by the Department of Health and Human Services in connection with the annual poverty guidelines with the exceptions noted under “Exclusions to Family Income.”

Self-employment income must be determined on the basis of the most recently submitted federal income tax return or on the basis of annualized proceeds posted in more up-to-date acceptable accounting records. All other income is to be annualized based on receipts during the past six months.

Family size is the maximum number of family members during the income determination period. For a separated or divorced applicant, income shall be prorated depending on the length of time during the last six month the applicant lived with the other wage earner.

Inclusions to Family Income

1. *Gross wages and salaries before deductions:* Total money earnings received from work performed as an employee. If a family’s only source of income was from wages and salary payments, family income would be equal to gross wages and salary received.
2. *Income from non-farm self-employment:* Net income (gross receipts minus operating expenses) from a business or other non-farm enterprise in which a person is engaged on his/her own account. If the business or enterprise has suffered a loss, this loss will be allowed to offset wage earnings.
3. *Income from farm self-employment:* Net receipts from farm self-employment (receipts from a farm which operates as an owner, renter, or sharecropper, after deductions for farm operating expenses). If the farm has suffered a loss, this loss will be allowed to offset wage earnings. Money received under the Agricultural Crop Stabilization Program is considered income.

4. ***WIA and Title V Older Americans Act Program Participation:*** Wages paid to participants in WIA OJT and the Title V Older Americans Program placements count as income.

5. ***Social Security Disability Income (SSDI)***

6. ***Money received from sources such as:***

- ✓ Net rents;
- ✓ Governmental and non-governmental pensions;
- ✓ Railroad retirement benefits;
- ✓ Strike benefits from union funds;
- ✓ Worker's compensation;
- ✓ Training stipends;
- ✓ Alimony;
- ✓ Military family allotments or other regular support from an absent family member or someone not living in the household; (except for military payments indicated below which are excluded from family income calculations)
- ✓ Regular insurance or annuity payments;
- ✓ College or university scholarships, grants (excluding pell grants), fellowships, and assistantships;
- ✓ Dividends and interest;
- ✓ Net royalties;
- ✓ Periodic receipts from estates and trusts; and
- ✓ Net gambling or lottery winnings.

Exclusions from Family Income

1. Unemployment Compensation; *WIA, Section 101(25)(B)*
2. Child support payments; *WIA, Section 101(25)(B)*
3. Old age and survivors' insurance benefits received under section 202 of the Social Security Act (42 U.S.C. 402) *WIA, Section 101(25)(B)*

4. **Military Pay or Allowances:** Are there special rules that apply to veterans when income is a factor in eligibility determinations? (Sec. 667.255) Yes, under 38 U.S.C. 4213, when past income is an eligibility determinant for Federal employment or training programs, any amounts received as military pay or allowances by any person who served on active duty, and certain other specified benefits must be disregarded. This applies when determining if a person is a “low-income individual” for eligibility purposes (for example, in the WIA youth, Job Corps or NFJP programs) and applies if income is used as a factor in applying the priority provision under 20 CFR 663.600 when WIA adult funds are limited. Questions regarding the application of 38 U.S.C. 4213 should be directed to the Veterans Employment and Training Service.

US Code: Title 38, Section 4213. Eligibility requirements for veterans under Federal employment and training programs:

Any (1) amounts received as pay or allowances by any person while serving on active duty, (2) period of time during which such person served on such active duty, and (3) amounts received under chapters 11, 13, 30, 31, 35, and 36 of this title by an eligible veteran, any amounts received by an eligible person under chapters 13 and 35 of such title, and any amounts received by an eligible person under chapter 106 of title 10, shall be disregarded in determining eligibility under any public service employment program, any emergency employment program, any job training program assisted under the Economic Opportunity Act of 1964, any employment or training program carried out under the Job Training Partnership Act or **title I of the Workforce Investment Act of 1998**, or any other employment or training (or related) program financed in whole or in part with Federal funds.

5. US Code Title 38:
- a. Chapter 11 - Compensation for Service-Connected Disability or Death
 - b. Chapter 13 - Dependency and Indemnity Compensation for Service-Connected Deaths
 - c. Chapter 30 - All-Volunteer Force Educational Assistance Program
 - d. Chapter 31 - Training and Rehabilitation for Veterans with Service-Connected Disabilities
 - e. Chapter 35 - Survivors' and Dependents' Educational Assistance
 - f. Chapter 36 – Administration of Educational Benefits
6. US Code: Title 10, Chapter 106 – Educational Assistance for Members of the Selected Reserve Federal non-cash benefits such as: Medicare, Medicaid, food stamps, school lunches, and housing assistance;
7. Capital gains and losses;
8. Assets drawn down as withdrawals from a bank;
9. Public Assistance payments: Payments received under TANF (Temporary Assistance to Needy Families), Supplemental Security Income, General Assistance, Refugee Cash Assistance;
10. The sale of property, house, or an automobile;
11. Tax refunds;

12. One-time gifts;
13. Loans;
14. Lump-sum inheritances;
15. One-time insurance payments, or compensation for injury;
16. Cash value of employer-paid or union-paid portion of health insurance or other employee fringe benefit;
17. Cash value of food or housing received in lieu of wages;
18. Cash value of food and fuel produced and consumed on farms;
19. Imputed value of rent from owner-occupied non-farm or farm housing;
20. Amounts received as pay or allowances by any person while serving on active duty;
21. Payments received under the Trade Readjustment Act of 1974;
22. Black Lung payments received under the Benefits Reform Act of 1977;
23. Financial assistance under Title V of the Higher Education Act, i.e. PELL/BEOG grants, Federal Supplemental Education Opportunity Grants and Federal Work Study, PLUS, Stafford and Perkins loans (as with other types of loans, these are debts and not income);
24. Terminal leave pay: Severance pay or a cash out of accrued vacation leave;
25. Stipends received in the following programs: VISTA, Peace Corps, Foster Grandparents Program,
26. Retired Senior Volunteer Program; Youth Works/Americorps Program;
27. Payments made by State and/or local governments on behalf of a foster child