Policy: Income Determination & Documentation

No: CT: 5
Effective: 12/02
Revised: 8/12

Policy
To establish a consistent method of determining income eligibility and to provide a statewide definition of income that is identical for all local agencies. Income determination is required for all clients at all certifications.

Procedure
General Sequence to Determine Income Eligibility

1. Assess adjunctive eligibility on the basis of eligibility to receive Supplemental Nutrition Assistance Program (SNAP), Medicaid, or Temporary Assistance for Needy Families (TANF).

2. If the client is not adjunctively eligible, determine size of household/economic unit and assess total household income.

3. If the applicant reports zero income or has no proof of income, follow guidelines for self-declaration, if applicable.

I. Adjunctive Eligibility
To allow for automatic income eligibility, an applicant is adjunctively income eligible for WIC if documentation shows that the individual:

- Is certified as fully eligible to receive benefits from either SNAP, Medicaid, or Temporary Assistance for Needy Families (TANF), or
- is a member of a household containing
  1. a TANF recipient or
  2. a pregnant woman or infant currently on Medicaid

3. In a household where a child or a postpartum woman has Medicaid, their Medicaid status cannot be used as a factor in determining income eligibility for other household members. Only the child or postpartum woman with Medicaid will be the adjunctively eligible.

Example:

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>TANF</th>
<th>SNAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant woman</td>
<td>Self and household members</td>
<td>Self and household members</td>
<td>Self and household members*</td>
</tr>
<tr>
<td>Infant</td>
<td>Self and household members</td>
<td>Self and household members</td>
<td>Self and household Members*</td>
</tr>
<tr>
<td>Child</td>
<td>Self</td>
<td>Self and household members</td>
<td>Self and household members*</td>
</tr>
<tr>
<td>PostPartum Woman</td>
<td>Self</td>
<td>Self and household members</td>
<td>Self and household members*</td>
</tr>
</tbody>
</table>

*SNAP identifies a head of household to receive Food Stamp benefits for all household members. Therefore, infants and children would not receive benefits individually, except eligible foster children.

Proof of adjunct eligibility based on enrollment in one of the three programs noted above must be confirmed at the time of application. Self declaration is not sufficient as proof of being adjunctively eligible. Documentation must accurately represent current eligibility for participation in such a program.
Documentation may include:
1. Notice of Eligibility letter showing current eligibility dates
2. SNAP activity printout with current date
3. Confirm via telephone access to adjunct programs which verifies current eligibility.
4. Written verification from applicant’s caseworker as to current eligibility.

An applicant adjunctively income eligible for WIC is not subject to the income limits or further income verification. Staff is required to ask adjunctively eligible applicants to self declare their income for statistical purposes and document this amount on the Rights and Responsibilities (R&R) form and in the WIC computer system.

If an applicant is not adjunctively income eligible or the clinic worker is unable to substantiate adjunctive income eligibility with information provided, traditional income eligibility screening is required.

II. Income Screening

Definition of Economic Unit/Family Size

The family size/economic unit is the number of persons, related and/or unrelated, living together as one economic unit and whose production of income and consumption of food, goods, and services are shared with the following guidelines and exceptions:

- A Foster child is counted as a family of one
- Persons who are claimed as dependents for income tax purposes may be counted as a member of the family whether or not they reside with the family
- A child is counted as a member of the family with whom s/he lives. In cases of dual custody of a child, the child is counted as member of the family with whom h/she spends the majority of time during the prior month. In dual custody cases, food packages may need to be tailored according to the amount of time spent with the family (or families) participating in WIC.
- A pregnant woman will be counted as two (or more depending on the number of embryos or fetuses) unless she specifically waives the increase in number. Clinic staff will document in progress notes when waived.
- Minor children who live with their parents, spouses or unmarried couples that live together should count in the total household size.

It is possible to establish that more than one economic unit lives under one roof. Exceptions will be reviewed on a case by case basis. To qualify as a separate economic unit, applicants should have an adequate source of income and usually purchase and prepare food separately or intend to purchase and prepare food separately after certification.

Definition of Income

Income is defined as all gross income before deductions are made for income taxes, social security taxes, insurance premiums, child support, car payments etc. All income from the prior 30 days will normally be considered, including:

- wages, salary, commissions, or fees
- net income from farm and non-farm self-employment
- Social Security benefits
- dividends or interest on savings or bonds
- income from estates or trusts, on investments or net rental income
• public assistance or welfare payments
• unemployment payments
• Government, civilian employee or military retirement or pensions or veterans payments
• private pensions or annuities or insurance benefits
• alimony or child support payments
• regular contributions from persons not living in the household
• net royalties
• Income of 2010 Census workers
• other income includes, but is not limited to, cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources which are readily available to the family.

Income Exclusions
Exclusions from income include, but are not limited to, the following:
• Any basic allowance for quarters (BAQ) received by military services personnel for privatized on-base or off-base housing and cost of living allowance (OCONUS COLA) received by military service personnel residing outside the United States, or Family Subsistence Supplemental Allowance (FSSA). Off-base housing is usually indicated on the military Leave Earnings Statement (LES) as: VHA (Variable Housing Allowance, BAH (Basic Allowance for Housing).
• Armed Forces Family Subsistence Supplemental Allowance (FSSA) payments provided to families of service members by the Department of Defense (DoD)
• Combat Pay, Armed Forces Hostile Fire Pay/Imminent Danger Pay (HFP/IPD) and Hardship Duty Pay (HDP). In addition, the following types of pay may be excluded from income calculations: Hardship Duty Pay-mission (HDP-M), Hardship Duty Pay – location (HDP-L), Family Separation Housing (FSH), Foreign Language Proficiency Pay (FLPP), Special Duty Assignment Pay (SDAP), Combat Related Injury and Rehabilitation Pay (CIP), and Hazardous Duty Incentive Pay (HDIP). Please contact the State Office for clarification on exclusions for HDP-M, HDP-L, FSA, FLPP, SDAP, CIP, and HDIP.
• The value of in-kind housing and other in-kind benefits (some employer’s process salary payments for the dollar amount contributed to health insurance as part of the employee’s gross income for tax saving purposes, even though the employee never actually receives the income directly.)
• The value of assistance to children or their families under the National School Lunch Act
• Non-cash food assistance, payments from the Home Energy Assistance Act of 1980
• Payment for child care under the Child Care and Development Block Grant
• Student financial assistance used for expenses related to the costs of attendance at the educational institution. Financial aid used to cover other expenses such as room and board and dependant care expenses should be included in the income calculations. (i.e.: Pell Grants, National Direct Student Loans, Work Study)
• EITC refund/payment
• Filipino Veterans Equity Compensation Fund payments
• Payments made under the NFIP for flood mitigation activities
Summary of Military Inclusion/Exclusions

<table>
<thead>
<tr>
<th>Included as Gross Income for Military</th>
<th>Excluded Income for Military Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Pay</td>
<td>Basic Allowance for Housing (BAH)</td>
</tr>
<tr>
<td>Basic Allowance for Subsistence (BAS)</td>
<td>Basic Allowance for Quarters (BAQ)</td>
</tr>
<tr>
<td>Deployment Pay such as Family Separation Allowance (FSA)</td>
<td>Variable Housing Allowance (VHA)</td>
</tr>
<tr>
<td>Can exclude if all three are applicable: 1.) Received in addition to basic pay</td>
<td>Family Separation Housing (FSH)</td>
</tr>
<tr>
<td>2.) Received as a result of deployment to or service in an area that has been designated as a combat zone <strong>and</strong> 3.) Not received prior to deployment to or service in the combat zone.</td>
<td>Overseas Housing Allowance (OSA)</td>
</tr>
<tr>
<td>Foreign Duty Pay -these payments can be counted over a 12 month period</td>
<td>Overseas Continent United States Cost of Living Allowance (OCONUS COLA)</td>
</tr>
<tr>
<td>Bonus Pay (Bonus)- can be averaged for the year</td>
<td>Mandatory salary reductions for GI Bill</td>
</tr>
<tr>
<td>Continental United States Cost of Living Allowance (CONUS COLA)</td>
<td>Family Subsistence Supplemental Allowances (FSSA)</td>
</tr>
</tbody>
</table>

*Combat Pay is excluded if it is: a.) received in addition to the service member’s basic pay; b.) received as a result of the service member’s deployment to or service in an area that has been designated as a combat zone; and c.) is not received by the service member prior to his deployment to or service in the designated combat zone.

Calculating the Total Household Income

WIC applicants will provide acceptable written documentation of the amount(s) of income received by each member of the economic unit with the exception of situations identified above. In determining the income eligibility of an applicant the clinic staff should consider the current rate of income of the family or the family’s income during the past 12 months, whichever indicator more accurately reflects the family’s status.

The applicant should provide income that most reflects the current income situation. If the applicant is paid weekly or bi-weekly and this amount is consistent (meaning it does not differ paycheck to paycheck), then the check stubs can be compared against the current Income Eligibility Guidelines (IGE) Table to determine eligibility. There are columns for weekly, bi-weekly, monthly, and annual determinations. If check stubs vary then 30 days worth of pay should be obtained.

Acceptable documents for proof of income include:

- Check stubs stating current amount of earnings. A handwritten pay check stub may be accepted if the clinic staff can verify it is a valid payroll check. Check stubs should be consecutive and the most recent. For check stubs that are inconsistent a 30 day requirement must be met.
- W-2 forms, through May 30th of the current year as reflective of current income
- Signed statement from employer
- Checking or saving account statement, if reflective of current income
- Current tax records: An IRS U.S. Individual Income Tax Return 1040 form
- Income receipt book or other accounting records for self-employment
Income calculations will be determined based on the following guidelines, dependent on the client's frequency of pay.

Income Source(s) with Same Pay Frequency
If an applicant has only one income source, or if there are more than one income sources with the same pay frequency, do not use income calculations. Compare the income, or sum of all the incomes, to the published Income Guidelines for Eligibility (IGE) Table for the appropriate household size and pay frequency to make the WIC income eligibility determination (see Policy CT:6 for the IGE table).

**Note: The information in bold in each example is to be followed to get an accurate monthly income to report in the MIS, and does not need to be utilized to determine Program eligibility.**

Consistent Income Source(s) with Same Pay Frequency
- Example 1: Weekly check stub = $550; Household size of three (3); reference the IGE Table for household size and Gross Weekly column; applicant is under the Gross Weekly Income maximum for family of three and eligible for benefits.
  - **Using the Income Frequency Table below multiply the gross weekly total of $550 by 52 to annualize income. To report in the WIC MIS as monthly income divide by 12 months. Example: $550 x 52 = $28,800 divide by 12 months = $2,383.33 monthly.**

Consistent Income Source(s) with Same Pay Frequency
- Example 2: Bi-weekly check stub = $1,110.00; Household size of five (5); reference the IGE table for household size and Gross Bi-weekly column; applicant is under the Gross Bi-weekly Income maximum and eligible for benefits.
  - **Using the Income Frequency Table below multiply the gross Bi-weekly total of $1,110.00 by 26 to annualize income. To report in the WIC MIS as monthly income divide by 12 months. Example: $1,110 x 26 = $28,860 divide by 12 months = $2,405 monthly.**

Income Sources with Different Pay Frequencies
If an applicant reports two or more sources of income and the incomes are not received at the same interval, annualize all incomes with the following calculations in the below table and then combine for the total gross annual income to determine Program eligibility.

- Example 3: Income source #1: Weekly check stub = $350; Income source #2: Bi-weekly check stub = $750; Calculate by annualizing income: $350 X 52 weeks = $18,200; $750 X 26 weeks = $19,500; $18,200 + $19,500 = $37,700; Household size of four (4); reference the IGE table for household size and Gross Annual column; applicant is under the Gross Annual Income maximum and eligible for benefits.
  - **To report in the WIC MIS as monthly income divide total gross income by 12 months = $3,141.66. Do the same for other pay frequencies (i.e. Semi-monthly, Monthly, etc.).**
Income Frequency Table

<table>
<thead>
<tr>
<th>Frequency</th>
<th>To Obtain Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly</td>
<td>Multiply by 52</td>
</tr>
<tr>
<td>Bi-weekly(every two weeks)</td>
<td>Multiply by 26</td>
</tr>
<tr>
<td>Semi-monthly(2x a month)</td>
<td>Multiply by 24</td>
</tr>
<tr>
<td>Monthly</td>
<td>Multiply by 12</td>
</tr>
<tr>
<td>Quarterly</td>
<td>Multiply by 4</td>
</tr>
<tr>
<td>Annual</td>
<td>N/A</td>
</tr>
<tr>
<td>Hourly</td>
<td>Rate x hours per week x 52</td>
</tr>
<tr>
<td>Daily</td>
<td>Rate x 5(or number of workdays per week) X 52</td>
</tr>
</tbody>
</table>

Incomes with Varying/Inconsistent Amounts

- Example 4: (weekly pay): Week 1 = $200, Week 2 = $150, Week 3 = $175, Week 4 = $250. In this situation the weekly amounts will be summed to a monthly total of $775. Example: $200 + $150 + $175 + $250 = $775 monthly. There is no need to annualize in this situation, and only utilize the IGE Table, CT:6, to determine eligibility and enter monthly income in the MIS.

- Example 5: (bi-weekly pay): Paycheck #1 = $400, Paycheck #2 = $600. This is the same as above, sum both bi-weekly paychecks: $400 + $600 = $1,000 and use the IGE Table to determine eligibility and enter monthly income in the MIS as $1,000.

- If a participant reports multiple pay sources with varying/inconsistent pay as both examples above, follow the same steps by summing to a monthly total and using the IGE Table to determine eligibility and enter monthly in the MIS.

- Do not round the values resulting from each calculation.
- Add together all the unrounded, calculated values/incomes.
- Compare the total to the published annual income for the appropriate household size on the IGE table to make the final income eligibility determination.

If an applicant receives sporadic or unusual pay, such as an annual bonus or overtime that does not typically occur such as only during the holidays, request that they provide proof of their normal pay with either a typical pay stub that is recent and current, or their W2. If neither of these documents is available, issue one month of benefits and request that they bring in documentation reflecting their typical pay for their next appointment.

III. Documentation of Income
After calculating a participant’s total income, the procedure for documentation will be as follows:

1. Provide a description of the documents used to determine income eligibility (adjunct eligibility document(s) or paycheck stub(s)) and show how the income recorded was calculated on the “WIC Participant Statement/Documentation” Form. Example: Bi-weekly check stub = 1,100 X 26 = 28,600 divide by 12 = $2,383.33 monthly or Medicaid 7/11.

2. One documentation for residency and/or income can be used per family if the member charts are cross referenced.

3. Routine photocopying of documents is not allowed.

**Insufficient Information/30 Day Presumptive Eligibility**

WIC staff will routinely and clearly communicate to applicants the kinds of information they need to bring to their appointments, however if an applicant/participant fails to provide the necessary documentation, local agencies are instructed to implement the following options:

1. If the applicant receives SNAP, TANF, or Medicaid, it may be possible for the local agency to contact the appropriate social service office to verify that the applicant is adjunctively eligible.

2. If determined that the applicant meets all other eligibility criteria, screen for income based on self-declaration, provide one month of food benefits and require that appropriate documentation be brought in before more benefits are issued.
   
   a. If the participant returns within the 30-day period with the missing and appropriate documentation, their certification period will continue from the original date that the applicant was certified.
   
   b. If the participant fails to return within the 30-day period, the certification period expires. If that same person returns after the 30 day period, a new certification process must be conducted. The certification cannot be back-dated to the first date the participant presented themselves at the clinic.

3. Complete the nutrition assessment based on self-declaration, but food benefits are not issued until proof of income is brought in.

4. Give the applicant a list of acceptable documentation and reschedule the certification appointment within the timeframes for meeting processing standards. If option 3 is chosen, clinic staff must document in progress notes the reason why.

If a clinic exercises the option of self-declaration the “WIC Participant Statement/Documentation” must be completed and filed and/or cross referenced in each participant’s chart. If the participant fails to provide the documentation within the 30-day time limit or providers the documentation and is found to be over WIC’s income limit, terminate the participant (refer to CT:14)

**Income Averaging**
Income averaging may be used to determine income eligibility for individuals that are seasonally employed or who have fluctuations in income. When income averaging, the income for the preceding eleven months plus current month is used.

- If the monthly income meets income eligibility without averaging then income averaging is not used.
- If within the 12-month period there are months without documentation or months with zero income this should be documented and signed on the R&R indicating the reason why no proof is available for those months.
- If income for a full 12-month period cannot be obtained then use the income from the provided number of months to determine average monthly income.

To assure accuracy use the following calculations for current month:

<table>
<thead>
<tr>
<th>Days</th>
<th>Conversion Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 7 days</td>
<td>.25</td>
</tr>
<tr>
<td>8-14</td>
<td>.50</td>
</tr>
<tr>
<td>15-21</td>
<td>.75</td>
</tr>
<tr>
<td>22-31</td>
<td>Round up next full month</td>
</tr>
</tbody>
</table>

- Example 6: Today is May 18th; a construction worker brings in current month pay that is determined to be over income but tells the certifier that the income varies from month to month. Participant does not have past 11 months available but does have paystub indicating January to current date of May 18th. When averaged over the preceding four month period through today's date, she is determined to be within the WIC income guidelines.
  - Calculation: take income available (Jan. – May 18th). Since today is May 18th and you have 4.75 months worth of pay (based on conversion factors above) take the total dollar amount and divide by 4.75 to get average monthly income to determine eligibility.

Migrant Farm Workers

An instream migrant farm-worker’s income only needs to be assessed once, per family, per twelve month period. For transfers reassess income eligibility at the subsequent certification if it falls outside the twelve-month income eligibility period indicated on WIC transfer form.

No Proof of Income

An applicant may be unable to provide proof of income, examples include:

- the homeless
- Migrant farmworkers
- persons working for cash

In these situations, applicants must sign a “WIC Participant Statement/ Documentation” form specifying why he/she cannot provide documentation of income. Applicants will be told (if possible) to bring a letter from their employer or reliable third party that has knowledge of their income at a subsequent appointment. The inability to provide such documentation in these limited circumstances will not prevent participation.

Self-Employed

Net income is used to determine income eligibility for self-employed persons. Net income is determined by subtracting the operating expenses from the gross income.
Operating expenses include but are not limited to, the cost of goods purchased, rent, utilities, depreciation, wages and salaries, and business taxes.

If an applicant is self-employed and does not receive regular pay checks, an IRS U.S. Individual Income Tax Return form may be used. It must be reflective of current income a through May 30th of current year and be reflective of current income to determine income eligibility. This total income amount would take into account all sources of an applicant’s income, with business expenses subtracted.

Zero Income
Given WIC’s definition of family size/economic unit all applicants declaring zero income will be prompted to describe in detail their living circumstances and how they obtain basic living necessities(such as food, shelter, medical care and clothing) to establish if, in fact, the individual is truly with minimal or no resources. These participants will be dealt with on a case by case basis and thoroughly documented on the “WIC Participant Statement/Documentation”.

Reassessment of Income Eligibility Mid-Certification
The clinic staff is not responsible for monitoring the continued income eligibility of the participant during the current WIC certification period. However, if a reassessment of program eligibility is performed during a certification period and the individual or family member is determined ineligible, the clinic staff will disqualify the individual and any other family members participating in WIC at the time of the reassessment. The procedure for “Notification of Ineligibility” will be followed.

Transfer Clients
Transfer clients are not required to present proof of income; only identity and residency.