

Department of Public Health  
and Human Services

Section:  
Financial Requirements

HEALTHY MONTANA KIDS

Subject:  
Earned Income

**Supersedes:**            **New to HMK Manual**

**General Rule** – All earned income received by family members is considered when determining HMK eligibility. Earned income is entered into CHIMES. -Earned income includes:

**NOTE:** When determining countable family income, the earned income of children up to age 19 who attend school (K – 12) and children age 19 to 23 who attend school (i.e., college, vocational technical, etc) is not counted.

1. **AmeriCorps** – Payments from AmeriCorps VISTA are **excluded**.
2. **Bonus Pay** – Bonus pay (e.g., received monthly, quarterly, every Christmas, etc.) is **counted** income.
3. **Commission** – Commissions are **counted** income.
4. **Contractual Income** – Income received from an employment contract is averaged over the period of the contract and only the value for the period the child would be eligible for HMK is **counted**.

**EXAMPLE:** The family applies for HMK on March 12. The family was awarded a 12 months contract for \$12,000 (\$1,000 monthly) which started March 1. Because the family applies for HMK coverage to begin March 1, the value of the contract entered on CHIMES is \$10,000 (March through December).

**EXAMPLE:** The family applies for HMK on March 5. The family has a 12 months contract for \$12,000 (\$1,000 monthly) which started January 1. They have been awarded a contract with the same entity for the past three years (e.g., rural postal carrier). Based on experience, the family's contract will likely be renewed so HMK's projected income from this source is \$12,000 (\$1,000 monthly for 12 months).

5. **Domestic Volunteer Service Act** – Payments for volunteer services under this act is **excluded**. Services include Retired Senior Volunteer Program (RSVP), Foster Grandparents, Service Corps of Retired Executives (SCORE), Senior Companion Program and Active Corps of Executives (ACE).

6. **Earned Income Tax Credit** – Earned income tax credit payments received as advance payments or as a tax refund are **excluded**.
7. **Garnishments Deducted from Wages** – The garnishment deduction for an unpaid debt is **counted**.

EXAMPLE: Jim earns \$400 weekly and his check has a \$50 garnishment withheld. Jim's annual income will be \$400 X 52 weeks.

8. **In-Kind Income** – Earned income received as an in-kind exchange, that is to say no money passes through the family member's hands, for services (housing in exchange for property management) is **excluded**.

NOTE: The value of in-kind earned income is counted when determining eligibility for the HMK **Plus** Program.

9. **Irregular Income** – Any amount of irregularly earned income expected to be received during the next 12 months is **counted**.

EXAMPLE: Cheryl fills in at the local post office during vacations, illnesses and training days. She typically works 40 eight hour days throughout the year and earns \$10 per hour. Cheryl's annual income will be \$10 X 8 hours X 40 days = \$3,200.

10. **Jury Duty** – Income from jury duty is **excluded**.
11. **Military Pay** – Any non-retirement income received from any branch of the military such as the National Guard, Reserves, Air Force, etc. is **counted**.
12. **Older Americans Act** – Income from projects funded under the Older Americans Act of 1987 is **counted**. Projects include:
  - a. Experience Works (aka, Green Thumb);
  - b. Forest Service;
  - c. American Association of Retired People (AARP);
  - d. National Council on Aging; and
  - e. National Council of Senior Citizens.
13. **Self-Employment (including rental property) Income** – Self-employment income is **counted**.
14. **Severance Pay** - Severance pay is **counted**.
15. **Sick Leave/Vacation** – Pay for sick, vacation or maternity leave is **counted**.

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16. **Tips** – Tips are **counted** income.
17. **VISTA** (Volunteers in Service to America) – Income earned under VISTA are **excluded**.
18. **Wages** – Gross income from wages, salary and commission earnings is **counted**. Gross income is defined as earned income before any deductions (taxes, insurance, dues, etc) are withheld.
19. **Work Study Income** – All educational income, including work study, is **excluded**.

TYPE OF EARNED INCOME	COUNTED	EXCLUDED
<b>AmeriCorps</b>		✓
<b>Bonus Pay</b>	✓	
<b>Commission</b>	✓	
<b>Contractual Income</b>	✓	
<b>Domestic Volunteer Service Act</b>		
- Retired Senior Volunteer Program (RSVP)		✓
- Foster Grandparents		✓
- Service Corps of Retired Executives (SCORE)		✓
- Senior Companion Program		✓
- Active Corps of Executives (ACE)		✓
<b>Earned Income Tax Credit</b>		✓
<b>Garnishment Deductions</b>	✓	
<b>In-Kind Earned Income</b>		✓
<b>Irregular Income</b>	✓	
<b>Jury Duty</b>		✓
<b>Military Pay</b>	✓	
<b>Older Americans Act</b>		
- Experience Works (aka, Green Thumb)	✓	
- Forest Service	✓	
- American Association of Retired People (AARP)	✓	
- National Council on Aging	✓	
- National Council of Senior Citizens	✓	
<b>Self-employment</b>	✓	
<b>Severance Pay</b>	✓	
<b>Sick / Vacation / Maternity Leave</b>	✓	
<b>TYPE OF EARNED INCOME</b>	<b>COUNTED</b>	<b>EXCLUDED</b>

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<b>Tips</b>	✓	
<b>Volunteers in Service to America (VISTA)</b>		✓
<b>Wages</b>	✓	
<b>Work Study Income</b>		✓

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