



## 602-1 Income Disregards

<b>Supersedes:</b>	TANF 602-1 (01/01/06)
<b>References:</b>	ARM 37.78.102, 37.78.406 and 37.78.407
<b>Overview:</b>	<p><u>GENERAL RULE</u>-- Income disregards are certain amounts of income that are subtracted from the filing unit's countable gross income to determine the total countable income amount. Subtracting these income disregards reduces the amount of countable income to be tested against the Benefit Standard for the household's size.</p> <p>There are two types of income disregards - earned income disregards and an obligated income disregard. Earned income disregards take into account the expenditures related to employment such as childcare. The only obligated income disregard is for a legally binding child support obligation.</p>
<b>TANF CASH EARNED INCOME DISREGARDS</b>	<p>To determine eligibility for the TANF cash assistance program, the following earned income disregards are subtracted in a specific order from the monthly gross countable earned income of each wage earner. These disregards and the order in which they are applied are:</p> <ol style="list-style-type: none"><li>1. \$200 work expense;</li><li>2. Twenty-five percent (25%) of remaining earned income;</li><li>3. Up to \$200 per month per dependent for care required for employment.</li></ol>
<b>TANF CASH WORK EXPENSE DISREGARD</b>	<p>The first \$200 of monthly earnings of each wage earner, whether employed full or part-time, is deducted. This deduction is for work-related expenses such as mandatory payroll deductions and union fees (actual work expenses do not have to be verified).</p>
<b>TANF CASH PERCENT DISREGARD</b>	<p>Twenty-five percent (25%) of the balance of the monthly earnings is subtracted from the balance remaining after the Work Expense Disregard.</p>
<b>TANF CASH DEPENDENT CARE DISREGARD</b>	<p>The dependent care disregard, up to \$200 per month of incurred (expected to be billed) expenses, is available for each minor child (Section 201-1) or incapacitated adult who is:</p> <ol style="list-style-type: none"><li>1. living in the same home as the earner; and</li><li>2. receiving TANF cash benefits or would be except they are excluded pursuant to federal regulations such as a child receiving SSI (Supplemental Security Income).</li></ol> <p>Allow dependent care costs when necessary for a household member to:</p> <ol style="list-style-type: none"><li>1. Accept or continue employment; or</li><li>2. Seek employment; or</li></ol>

	<p>3. Attend training or schooling preparatory to employment.</p> <p>Reasonable costs to transport a dependent to or from care is an allowable dependent care expense.</p> <p>All Family Investment Agreement/WoRC Employability Plan (FIA/EP) activities for TANF cash assistance are considered to be employment and training activities. Therefore, childcare co-payments for all FIA/EP activities are an allowable disregard.</p> <p>The participant shall provide a signed statement from the day care provider that lists the individual(s) in care, hours of care and amount of monthly charges.</p> <p>Allow the dependent care disregard only if the care provider is someone who is not included in the filing/assistance unit. However, the provider may be living in the same residence.</p>
<b>TANF POST-EMPLOYMENT EARNED INCOME DISREGARDS</b>	<p>To determine eligibility for the TANF cash assistance Post-Employment Program, <b>100%</b> of the monthly gross countable earned income is disregarded first, prior to applying the GMI test.</p> <p>If the household has countable unearned income, the obligated income disregard will be allowed from the unearned income.</p>
<b>OBLIGATED INCOME DISREGARD</b>	<p>In both programs, the filing unit is also allowed an income disregard designed to encourage parents to fulfill their financial obligation for <b>legally-binding child support payments</b>. The amount of the child support payment obligated to non-household members is subtracted from the total of the balance remaining after the earned income disregards and the unearned income of the filing unit are added together.</p>
<b>LOSS F EARNED INCOME DISREGARD</b>	<p>The wage earner is not allowed the earned income disregards in the following circumstances:</p> <ol style="list-style-type: none"> <li>1. If he/she has been convicted of fraud in a court of law or is determined through an Administrative Disqualification Hearing (or signed form FA-559) to have committed an Intentional Program Violation</li> <li>2. If he/she has voluntarily quit or reduced his/her hours of work</li> <li>3. If he/she has failed to report earnings and an overpayment is calculated</li> </ol>
Date Revised	July 1, 2008