



SNAP 501-1 INCOME Unearned Income

Supersedes: SNAP 501-1 (05/01/2019)

Reference: 7 CFR 273.2, 273.9, 273.11

Overview: All unearned income received by the filing unit is considered when determining eligibility for SNAP. All unearned income, whether countable or excluded according to policy, is entered into the CHIMES system.

ADOPTION SUBSIDIES:

Title IV adoption subsidies are intended to pay for general living expenses and are countable unearned income to the child. **NOTE:** The adoption subsidy is excluded as a reimbursement for child care if the responsible adult for the child is working, seeking employment, or it is a reimbursement for a medical expense. A child care deduction is not allowed when the subsidy is a reimbursement for child care.

AGENT ORANGE SETTLEMENT:

Payments from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the Agent Orange Product Liability Litigation are excluded. **NOTE:** Payments of veterans' benefits to veterans with service-connected disabilities resulting from exposure to Agent Orange are countable.

ANNUITY PAYMENT:

Annuities are contracts or agreements providing for the payment of income at regular intervals (e.g., monthly, quarterly, annually, etc.). The annuity is excluded as a resource if payments are paid from the annuity. The payments are countable unearned income. If recurring payments are received on a regular basis, the payments are averaged over the period of intended use (e.g., an annuity paid on an annual basis is annualized).

ASSISTANCE PROGRAMS:

All federal, state, or local assistance paid directly to the household is countable unearned income. Assistance payments include the following:

1. Supplemental Security Income (also known as Title XVI benefits).
2. Retirement, Survivors and Disability Insurance (also known as Title II benefits), State Supplemental Payments.
NOTE: Supplemental Security Income, Retirement, Survivors and Disability Insurance and State Supplemental Payments benefits should automatically interface. The eligibility staff member must access the SOLQ query to determine correct amount when it is questionable.
NOTE: When the interface occurs too late in the month to give timely notice, adjust the income for the benefit month using the previous month's income amount and change the income for the following month.
3. TANF cash assistance automatically interfaces when authorized.
NOTE: TANF and Tribal TANF count against the specified relative receiving SNAP benefits and cash assistance even when a portion of the payment is intended for an individual who is temporarily absent from the household.
NOTE: SNAP benefits are not increased when a portion of a means-tested program (TANF, Tribal TANF, and Bureau of Indian Affairs (BIA) General Assistance) is being recouped for a prior household caused overpayment (SNAP 602-5).
4. Tribal TANF amount does not interface.
5. Bureau of Indian Affairs (BIA) General Assistance.
6. TANF supplement payment for child support collected for TANF recipients is prospected in the same manner as child support income (SNAP 501-1).
7. TANF Post Employment Program automatically interfaces when authorized.

CAPITAL GAINS:

A capital gain from the sale of personal property or a house, when not in the business of buying and selling houses, is excluded as a non-recurring lump sum. If payment is made in installments instead of a lump sum refer to 'Sale of a Resource' in this section.

'Capital Gains' from the sale of self-employment property (SNAP 503- 1).

CHARITABLE DONATIONS:

Cash donations based on need from one or more private non-profit charitable organizations are excluded unearned income not to exceed \$300 in a federal fiscal quarter. Federal fiscal quarters run October- December, January-March, April-June, and July-September.

CHILD CARE BLOCK GRANT:

Child care payments paid to the parent whose child is receiving care are excluded because the parent is obligated to give the payment to the child care provider. **NOTE:** The payment is countable earned income from self-employment when a required filing unit member is the service provider (SNAP 503-1).

CHILD SUPPORT ARREARAGE:

Child support arrearages received on a regular monthly payment schedule are part of the current payment and are **countable**.

A child support arrearage paid in a one-time payment is considered a nonrecurring lump sum and is excluded.

CHILD SUPPORT OR ALIMONY:

Payments paid directly to the household are countable income against the child(ren) it is intended to support. Money legally obligated and otherwise payable to the household but diverted to a third party (e.g., recovery fee) is countable income. Evaluate the child support order to determine the correct amount attributable to each child. If the order does not indicate an amount per child, assume the amount received is equally distributed to all minor children of the absent parent living in the household. If the household where the child is living is not receiving the child support income, the child support is not counted against that household. It is counted against the person who receives the money.

When child support is being reduced to repay over issued child support, the net amount of income is countable. The net amount of child support income is found on the **WAP screen on SEARCHS.**

Child support income is countable when the household keeps the child support received prior to the initial authorization of TANF or Tribal TANF. All child support income received after initial TANF benefit authorization is excluded income due to the requirement to turn the money over to the Child Support Enforcement Division (CSED). There is not an over payment for SNAP for this situation.

COMBAT PAY:

When determining the household's income for SNAP purposes, the eligibility staff member must determine if any monies made available to a household by an absent member deployed to a designated combat zone are excluded. Only pay received for deployment to or service in a Combat Zone (CZ), Imminent Danger Pay (IDP), and Hazardous Duty Pay Location (HDP-L) is excludable, **not** pay received for a Qualified Hazardous Duty Area or Direct Support Area.

1. Establish what amount of the military person's pay was actually available to the household prior to the deployment of the military person to a designated combat zone.
 - a. If the military person **was part** of the household for SNAP purposes prior to deployment, this amount would be his/her net military pay.
 - b. If the military person **was not part** of the household for SNAP purposes prior to the military person's deployment, the amount the absent military person was actually making available to the SNAP household prior to deployment is counted as unearned income.
2. Then determine the amount of military pay that the deployed absent military member is making available to the SNAP household.
3. Then identify what portion of the combat-related pay is available to the household. That portion must be excluded from the household's income for SNAP eligibility determinations.

To document the deployed person's income and location, the person's Leave and Earnings Statement (LES) will identify combat pay if it is being received and can be used to establish deployment to a combat zone and the amount of combat pay. Deployment to a combat zone can also be established through orders issued to the military person. Some households may have access to the information via the web. If there are questions about the LES or orders provided by the absent member, contact the service member's supporting finance office or DFAS at DFAS.Indianapolis-IN.JFL.mbx.dfas-in-systems@mail.mil.

COMMUNITY SERVICES ADMINISTRATION:

Payments from the Crisis Intervention Program (CIP) administered by the Community Services Administration (CSA) are excluded.

CONTRACT FOR DEED:

If a contract for deed is excluded as a resource, the payments received from that contract for deed are countable unearned income. The costs of doing business are deducted from the gross income to arrive at the countable net income. The income is countable over the period it is intended to cover.

NOTE: Allowable business expenses for the cost of doing business include: payments on the principal of the purchase price of income producing real estate and capital assets, equipment, machinery, and other durable goods; interest paid to purchase income producing property; insurance premiums; escrow fees; and, taxes paid on income producing property (SNAP 503-1).

Both the interest earned and the portion of the payment for the principal is countable income after the allowable costs of doing business when the contract for deed is an excluded resource. If the contract for deed is a countable resource, only the interest payment minus cost of doing business is counted as income.

CONTRIBUTIONS:

Contributions that can be anticipated to be received from an outside source and cannot be excluded as a nonrecurring lump sum, loan, or irregular/infrequent income are countable unearned income to the household.

CRIME VICTIM COMPENSATION:

Payments received under this program, regardless of the circumstances of payment, are excluded.

CROWD FUNDING ACCOUNTS:

GoFundMe, Kickstarter, and Indiegogo and other similar accounts are on-line platforms that allow donors to fund specific campaigns for charity, individuals in need, projects, and business ventures. The account holders can access funds in two ways, either at any point throughout the campaign or only after the funding goal is met. The account meets the definition of liquid resource. The actual value of the funds that are accessible by the household are countable as a resource. Funds that are accessible at any

time from any crowd funding website should be treated as liquid resources and **not as income**. Please reference SNAP 402-1 for information.

DISASTER RELIEF ACT:

Payments issued as a result of a Presidential declared emergency or major disaster as defined in this Act, as amended, are excluded. The exclusion applies to federal assistance provided to individuals directly affected and to comparable disaster assistance provided by states, local governments, and disaster assistance organizations.

DISASTER UNEMPLOYMENT:

Public Law 100-707 authorizes the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act to pay Disaster Unemployment Assistance to any individual unemployed as a result of a major disaster. Individuals cannot receive disaster unemployment benefits if they are eligible for any other unemployment compensation. Payments are limited to 26 weeks. Because disaster unemployment assistance is considered Federal major disaster and emergency assistance under the Stafford Act, it cannot be considered as income or as a resource when determining SNAP benefits. The source of the unemployment income only needs to be verified if the household member suffered a job loss or was unemployed due to a recent disaster.

EDUCATIONAL INCOME:

Educational grants, loans **on which payment is deferred**, scholarships, stipends, and VA education payments directly related to the individual's attendance at an institution of higher education are excluded.

ENERGY PAYMENTS:

Energy payments to households such as Section 8/HUD Utilities Payments, LIEAP payments, and Farmer's Home Administration (FHA) Rent Subsidy Payments, are excluded. **EXCEPTION:** The portions of public assistance grants (e.g., TANF or General Assistance benefits) paid for the purpose of energy payments are countable unearned income. Montana's TANF program does not include energy payments in the grant amount. However, other states may have this option in their state plan.

FEMA FUNDS:

Federal Emergency Management Assistance (FEMA) funds made to homeless people to pay for rent, food, and utility assistance when there is no major disaster or emergency are countable.

FEMA funds provided as rent payments to households facing eviction or payments for food or clothing are countable unearned income if they are received on a regular basis. When FEMA pays the rent directly to the landlord, the amount is considered a vendor payment and is excluded.

If the payment is related to a disaster see 'Disaster Relief' in this section.

FOSTER CARE:

If the household chooses to include the foster child or adult as a filing unit member the foster care income is countable. If the household chooses to exclude the foster child or adult as a filing unit member the foster care income is excluded. All foster care income is assigned to the child or adult who the payment is intended for.

GARNISHMENT:

The gross income is counted to determine benefits if unearned income is garnished for a purpose not related to an overpayment from the same income source.

If income is being reduced to repay over issued income from the same income source see 'Recoupments for Overpayments' in this section.

The portion of a military retirement payment paid to an ex-spouse under a divorce decree property settlement **is not counted as income to the retiree**; the full payment to a retired civil servant is countable income (see 'Veterans Administration' in this section).

GIFTS:

Monetary gifts to the household such as money received as a birthday, anniversary, graduation, or Christmas presents, are generally excluded. The exclusion is usually due to the inability to prospect the income or gift and is usually excluded as a nonrecurring lump sum or irregular/infrequent payment. Monetary gifts that can be prospected are countable and are not considered nonrecurring lump sums or irregular/infrequent payments.

Countable gifts given to an entire household are prorated among the household members.

HEALTH CARE IMPROVEMENT ACT OF 2000:

Payments paid under Health Care Improvement Act of 2000 for the children of women Vietnam veterans who suffer from certain birth defects are excluded from income and resources.

HOME EQUITY CONVERSION PLAN:

There are several variations of Home Equity Conversion Plans allowing households to borrow money or receive payments against the value of their home. The most common conversion plans are either a Reverse Annuity Mortgage Loan Program (RAM) or a Home Equity Conversion Sale Leaseback Program. A case-by-case review must be made to determine if the money is countable unearned income or an excluded loan.

Reverse Annuity Mortgage - payments received from a Reverse Annuity Mortgage loan program (RAM) are excluded income because they are considered a loan. The loan agreement between the mortgage company and the home-owner is used to verify when the loan is to be repaid. Generally repayment begins when the:

1. House is sold;
2. Owners no longer occupy the house; or,
3. Owners die and repayment is taken from the settlement of the estate.

Home Equity Conversion Sale Leaseback Program - the house is sold under this program to an investor who pays the homeowner the purchase price in a series of payments and gives the homeowner a lease to live in the home for a specific period of time (sometimes until death). It is necessary to review each sale-leaseback transaction to evaluate the specific financial arrangements to determine if the proceeds from the property are income or a resource.

Lump sum payments are a resource in the month received. Monthly payments are countable unearned income

Home equity loans; see 'Loans' in this section.

IN-KIND BENEFITS:

See SNAP 502-1 Earned Income.

INCOME TAX REFUND/CREDIT:

Income tax refunds are excluded as income in the month of receipt and as a resource for a period of 12 months following the month of receipt. **NOTE:** Earned Income Tax Credit payments and the Child Tax Credit received as an advance payment or as a refund are excluded earned income.

INDIVIDUAL DEVELOPMENT ACCOUNT (IDA):

An IDA may be established by or on behalf of an individual eligible for assistance. An IDA is created and funded through periodic IDA contributions by an individual and matched by or through a not-for-profit organization or a state or local government agency in cooperation with such organization. The purpose of the account is to enable an individual to accumulate funds for post-secondary education, first home purchase, or business capitalization. Only earned income can be deposited into an IDA. The gross earnings are counted as wages before deposited.

If funds are withdrawn, for whatever reason, they are not considered income to the household because they were already counted as wages. The funds are still not considered income when withdrawn even if the income was not counted against a Montana case when deposited. Interest earned on the IDA is excluded.

INTEREST, DIVIDEND & ROYALTY INCOME:

Interest, dividend and royalty income are countable because it is a gain or benefit to the household. This includes interest income earned on a bank account.

Royalties from Indian lands, oil, gas, and timber - see SNAP 501-2.

Definition of Royalties - royalties include compensation paid to the owner for the use of property, usually copyrighted material such as books, music, etc., or natural resources such as mineral, oil, gravel, or timber. Royalties are unearned income unless they are received as part of a trade or business. The cost of producing the income can only be deducted if the income is from a self-employment business (SNAP 503-1).

Since interest, dividend, and royalty income are received on a regular basis, royalties **cannot** be considered irregular or infrequent. The income must be counted regardless of the amount. The eligibility staff member determines to average payments over the period they cover.

IRREGULAR OR INFREQUENT INCOME:

Irregular or infrequent income is excluded if the income of all household members does not exceed \$30 in a quarter. Amounts over \$30 in a quarter are countable. The entire amount is entered, not just the amount in excess of \$30. Interest income is **NOT** irregular or infrequent. The eligibility staff member must evaluate the amount of income received and how often it is received to determine how to budget the income.

LEASE INCOME:

Lease income from Indian Lands - see SNAP 501-2.

Lease income unrelated to Native American resources is countable. The anticipated income is prorated over the period of time it was intended to cover.

When the filing unit is in the business of buying and selling leases or managing lease property, the income is considered self-employment (SNAP 503-1).

LOANS RECEIVED BY THE HOUSEHOLD:

All valid loans including loans from private individuals and commercial institutions are excluded.

Educational loans (SNAP 501-1).

NOTE: All loans received, other than deferred repayment educational loans, are considered resources since they are available as liquid resources (cash on hand or in checking accounts) until the money from the loan is spent.

Verification of a valid loan: A written or oral statement indicating the money received is a loan and is to be repaid at a future date. It is a best practice to request the loan statement be written and signed by both parties.

LOAN REPAYMENTS TO THE HOUSEHOLD:

The principal of a loan repayment is excluded unearned income; SNAP 501-1

The interest is considered countable unearned income. It doesn't matter if the loan balance is an accessible (countable) resource or not.

LUMP SUM PAYMENTS:

Non-Recurring lump sum payments are excluded income.

MEDICAID INCENTIVES FOR PREVENTION OF CHRONIC DISEASES:

MIPCD incentive payments provided to Medicaid recipients are excluded as income in the month of receipt. These incentives will be "Social Services" in the unearned income section.

NATIONAL FLOOD INSURANCE ACT:

Public Law 109-64 enacted September 20, 2005 amends the National Flood Insurance Act of 1968. All payments made under NFIP for flood mitigation activities are not counted as income or resources of the owner of the property when determining eligibility for SNAP benefits. The Federal Emergency Management Agency awards grants to States and communities that distribute the funds to individuals and businesses for activities that reduce the risk of repetitive flood damage.

NATIONAL SCHOOL LUNCH PROGRAM OR NUTRITIONAL PROGRAM FOR THE ELDERLY:

The value of assistance to children and elderly under these Acts is not income and is not required to be listed in CHIMES.

NAZI PERSECUTION VICTIMS:

Payments to individuals because of their status as victims of Nazi persecution are excluded.

PASS THROUGH PAYMENT:

Separate households residing in the same residence are allowed the actual amount of rent they are billed as a shelter deduction. When households reside together and neither household owns the residence, a rent payment made from one household to another is exempt as pass-through shelter payment up to the full amount of rent billed. If the payment is more than the full rent charged for the residence, the excess payment is unearned income to the household receiving the payment. Refer to 'Rental Income' in this section if the household owns the residence.

PAYMENTS TO PROTECTIVE PAYEE:

A payee for a SSI recipient or SSDI recipient, in agreement with the Social Security Administration, reduces the SSI or SSDI recipient's cash benefit amount by an agreed upon fee for services provided by the payee. The services for the SSI or SSDI recipient are generally paying bills, making appointments, etc. The SSI or SSDI recipient's countable income is the SSI or SSDI cash benefit amount **minus** the payee's fee paid by the recipient.

Monies received and used for the care and maintenance of a third party beneficiary (adult or child) who is not a member of the protective payee's household are excluded as income to the protective payee.

The portion of money a protective payee receives for services is counted as **earned** income to the protective payee's household.

PENSION PAYMENTS:

Recurring payments from pension plans are **countable** unearned income.

PLAN FOR ACHIEVING SELF-SUPPORT (PASS):

Income paid to a SSI recipient under a plan for achieving self-support is excluded.

POST EMPLOYMENT PAYMENT (PEP):

Individuals who are participating in the TANF PEP program receive a set amount each month that is countable.

RADIATION EXPOSURE COMPENSATION ACT:

Payments received under this Act are excluded.

RECOUPMENT FOR PRIOR OVERPAYMENTS:

If the recoupment is unrelated to an overpayment from the same source, see 'Garnishments' in this section.

Money withheld from an assistance payment, earned income, OR money received from any income source that is voluntarily or involuntarily returned to repay a previous overpayment from that same income source must be evaluated to determine if the gross or net income is countable. **NOTE:** When an SSI overpayment is being recouped from RSDI payment, the gross amount of RSDI is counted.

When income is reduced to recoup a prior overpayment and is not from means-tested program, the NET income (amount after the repayment is taken) is counted regardless of the reason for the overpayment. This includes income such as unemployment, Worker's Compensation, child support (unrelated to TANF), pensions, SSI, RSDI, etc.

If a means-tested program (TANF, Tribal TANF, BIA GA) is reduced to recoup a prior **agency-caused** overpayment, the **net** assistance is counted. If the recoupment is for a **household-caused** overpayment, the gross assistance amount is counted (SNAP 602-5).

REIMBURSEMENTS:

Reimbursements for past or future expenses unrelated to normal living expenses to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household are excluded. The payments must be provided specifically for an identified expense, other than normal living expenses and

used for the purpose intended. Reimbursements for normal living expenses such as mortgage, rent, personal clothing, or food eaten at home are a gain or benefit and are not excluded as a reimbursement. These exchanges should be evaluated under other income categories such as, contributions or in-kind income, on a case-by-case basis.

When a reimbursement including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses. The amount the reimbursement exceeds the actual incurred expense is counted as income. However, reimbursements are not considered to exceed actual expense unless the provider or the household indicates the amount is excessive.

The following are examples of excluded reimbursements:

1. Reimbursements or flat allowances for job or training related expenses such as travel, per diem, uniforms, and transportation to and from the job or training site. Reimbursements provided over and above basic wages for these expenses are excluded. However, these expenses, if not reimbursed, are not deductible. Reimbursements for the travel expenses of migrant workers are also excluded.
2. Reimbursements for out-of-pocket expenses of volunteers incurred in the course of their volunteer work.
3. Medical and dependent care reimbursements, including reimbursements from Veterans Administration for 'unusual medical expenses'.
4. Reimbursements received by the filing unit to pay for services provided by Title XX of the Social Security Act.
5. Renters' credit or homeowners' credit.

RENTAL INCOME:

A property owner/landlord is allowed the full amount of shelter costs (such as mortgage, taxes, insurance) that the household is required to pay to live there. The gross income minus the cost of doing business received from rental property if a household member is not involved in management of the property 20 hours/week or more is countable unearned income to the owner/landlord's household (SNAP 503-1). The eligibility staff member must calculate the amount of countable income manually, using gross income minus the allowable expenses. **NOTE:** No portion of expenses can be used as both a shelter cost and a self-employment cost. The allowable costs of doing business are exclusively for the rental space not for common living area or items used in common.

SALE OF A RESOURCE:

When income from the sale of a **personal** resource is received in **installment payments**, the payments minus cost of doing business are countable income.

If the installment contract cannot be readily liquidated (e.g., language states that it cannot be sold to a bank or other financial institution), it is inaccessible and excluded.

If proceeds from the sale of a personal resource are received in **ONE** payment, the payment is not income but a resource in the month received.

Sale of self-employment resource (SNAP 503-1).

SAVINGS OFFER SUCCESS (SOS):

Savings Offer Success (SOS) payments by Rural Inc. (ROI) are privately financed payments to households for a down payment on a house, start-up costs of a self-employment business, or tuition costs for post-secondary education. For every \$1 the individual deposits, ROI will deposit \$3 in matching funds. Matching awards are made from funds not owed to the household and are excluded as income.

Payments from the accounts are vendor payments to a third party on behalf of a household and are excluded as income.

SEVERANCE PAY:

When severance pay is received after employment termination in two or more payments, it is countable unearned income. If paid in a non-recurring lump sum, it is excluded.

SICK LEAVE/ VACATION PAY:

Sick leave or vacation pay received while still employed is countable earned income (SNAP 502-1).

Vacation pay received after employment termination is considered severance pay.

Sick leave pay that is received in two or more payments after employment termination is countable unearned income.

If paid in a nonrecurring lump sum, it is excluded.

SPINA BIFIDA CHILDREN:

Payments to children of Vietnam veterans for disabilities resulting from spina bifida are excluded.

SPONSORED ALIENS:

The amount of the sponsor's income deemed to be available to the sponsored alien is countable unearned income (SNAP 301-3).

STRIKER INCOME:

If the household was eligible for SNAP benefits the day prior to the strike **and** is otherwise eligible at the time of application, the household may be eligible for benefits. The benefit is not increased because of the decreased income of the striking member. Compare the striking member's income before the strike to the striker's current income. The higher of the two incomes is countable income.

Income received from the union during a strike (e.g., income from being on a picket line) is countable unearned income. If the income is actually wages, it is earned income.

SUBSIDIZED GUARDIANSHIP:

The income is considered the same as foster care payments. Payments are countable unearned income to the child when the child is included in the filing unit. Payments are excluded when the child is not included in the filing unit.

SUPPORTIVE SERVICES PAYMENTS:

Supportive services payments to households through TANF are excluded income (See Lump Sum Payments in this section).

TEMPORARY DISABILITY:

Income is countable to the extent it is not a reimbursement for specific costs and is paid directly to the household.

TRUST FUNDS:

Trusts must be evaluated for accessibility according to SNAP 402-3.

Monies withdrawn from an inaccessible trust fund, unless otherwise excluded are countable in the month received.

Monies withdrawn from an accessible trust fund are excluded as income because an accessible trust fund is a countable resource. Money cannot be considered income and resource in the same month.

Monies received and used for the care and maintenance of a third party beneficiary (adult or child) who is not a member of the trustee's filing unit are excluded as income for the trustee.

When the household has the option of receiving the dividend as income or reinvesting in the trust, it is countable unearned income in the month it is available.

SEE BUSINESS PROCESS: Trust and Annuity Review

UNEMPLOYMENT COMPENSATION:

Unemployment compensation payments are countable.

Eligibility staff member accesses the MISTICS (Department of Labor and Industry) system to verify unemployment benefits. **NOTE:** The gross amount of the unemployment payment is countable before taxes or child support is deducted. The child support deduction is allowed when appropriate.

UNIFORM RELOCATION ASSISTANCE:

Payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 are excluded. These payments include:

1. Payments to individuals displaced as a result of the acquisition of real property;
2. Relocation payments to a displaced homeowner toward the purchase of a replacement dwelling. The payment may only be to a displaced owner who purchases and occupies a dwelling within one year following displacement;
3. Replacement housing payments to a disabled person not eligible for a homeowner's payment as listed above; and,
4. Payments to U.S. citizens of Japanese ancestry and resident Japanese aliens of up to \$20,000 each and payments to certain eligible Aleuts of up to \$12,000 each.

VENDOR PAYMENTS:

A payment made in money on behalf of a household is a vendor payment when an individual or organization outside of the household uses its own funds to make a direct payment to the household's creditors or to a person or organization providing a service to the household. Most vendor payments are excluded. Payments made by a government agency to a child care provider for a household member's child care expenses are excluded as vendor payments.

Some countable income exceptions are:

1. Money legally obligated or payable to the household but is diverted by the provider of the payment to a third party for a household expense;
2. Money deducted or diverted from a court-ordered support or alimony payment to a third party for a household expense because the payment is taken from money owed to the household;
3. All or part of TANF or Tribal TANF usually provided in a money payment to the household but is diverted to a third party or a protective payee for purposes such as managing the household's expenses; or,
4. Rent or mortgage payments made to landlords or mortgagees through county or BIA General Assistance.

VETERANS ADMINISTRATION:

Payments from the Veterans Administration, retirement, or disability payments are countable.

EXCEPTION: 'Agent Orange Settlement Fund', 'Spina Bifida', and 'Health Care Improvement Act of 2000'.

The portion of a military retirement payment paid to an ex-spouse under a divorce decree property settlement is **not counted as income to the retiree**. Since retired civil servants are not covered under the Uniform Services Former Spouse Protection Act, the full payment to a **retired civil servant is countable income**. The amount diverted to the ex-spouse is legally obligated and payable to the retired civil servant's household. It is not considered legally obligated to the military retiree's household and is excluded for the military retiree.

VETERANS AID AND ATTENDANCE (A&A) PAYMENTS:

Payments from the Veterans Administration for A&A are countable. **NOTE:** If the payments are paid to someone outside of the household for services, they are excluded as a reimbursement.

Attendant care payments, paid by an outside source to the attendant care provider for a disabled/elderly household filing unit member, are countable earned income to the attendant care provider.

WEATHERIZATION:

Federal, state or local one-time payments for weatherization and replacement or repair of heating or cooling devices are excluded.

WOMENS, INFANTS AND CHILDREN (WIC):

The value of assistance to children under the Supplemental Food Program for Women, Infants and Children (WIC) is excluded and is not entered in CHIMES.

WORKERS' COMPENSATION:

Workers' Compensation payments are countable. **NOTE:** If attorney fees are being taken from the Workers' Compensation payments, the gross amount is counted as income because it is legally obligated and payable to the household.

WORK PAYS INCENTIVE:

Those individuals who are participating in the PEP program are eligible to receive a Work Pays Incentive. The Work Pays Incentive is countable for the months in which it is intended to cover (12 months).

Payments are received in the following order:

Month 1 = \$300

Month 7 = \$300

Month 12 = \$300

Total = $\$900/12 = \75.00 per month is counted in the SNAP budget.

Effective Date: August, 1, 2021