Definition of Income

Purpose
To provide a statewide definition of income that is identical for all local agencies (LAs).

Authority
7 CFR Part 246.7; 25 TAC §31.22

Policy
Income is defined as gross income before deductions.

Procedures
I. Income includes the following:
   A. wages, salary, commissions or fees;
   B. net income from farm and non-farm self-employment;
   C. Social Security benefits;
   D. dividends or interest on savings or bonds, to include interest on Certificates of Deposit (CD) and Individual Retirement Accounts (IRA); income from estates or trusts, or net rental income;
   E. public assistance or welfare payments;
   F. unemployment compensation;
   G. government civilian employee or military retirement or pensions, or veterans' payments;
   H. private pensions or annuities;
   I. alimony or child support payments;
   J. regular contributions from persons not living in the household;
   K. net royalties;
   L. lump sum payments which are considered as "new money" received in the last 30 days would include gifts, inheritances, lottery winnings, worker's compensation for lost income, and severance pay;
M. student financial assistance, such as grants and scholarships, except those grants and scholarships excluded as income as listed in Section II. (C) (12) of this policy;

N. capital gains and interest earned on the sale amount; If there was a loss on the sale, the amount of interest earned on the sale amount is counted as income. This applies only to capital gains and losses within the past twelve months. Any sale prior to last twelve months, refer to guideline on savings account interest (Item I. (D) above).

O. other cash income, which includes, but is not limited to, cash amounts received or withdrawn from any source including savings, investments, trust accounts and other resources which are readily available to the family.

II. Exclusions from income include, but are not limited to, the following:

A. Military allowances:
   1. any basic allowance for quarters received by military services personnel residing on/off military installations; and
   2. cost of living allowance received by military services personnel residing outside the United States.
   3. Family Subsistence Supplemental Allowance (FSSA) payments to members of the Armed Services provided by the Department of Defense under the provisions of Public Law 109-163, the National Defense Authorization Act for Fiscal Year 2006.
   4. Other types of Entitlement pay, including, but not limited to Combat Pay and Hostile Fire Pay, must be excluded from income if it meets the following three requirements:
      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 is designated a combat zone; and
      c) Not received by the service member prior to his/her deployment to or service in the designated combat zone.
Texas WIC
Health and Human Services Commission

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B. value of in-kind housing and other in-kind benefits; (Examples: employer paid or union paid portion of health insurance or other employee fringe benefits, food or housing received in lieu of wages)

C. payments or benefits provided under certain Federal programs or acts. The payments or benefits which shall be excluded by legislative prohibition include, but are not limited to the following:
1. reimbursement from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
2. any payment to volunteers under Title I (VISTA and others) and Title II (RSVP, foster grandparents, and others) of the Domestic Volunteer Service Act of 1973, to the extent excluded by that Act;
3. payment to volunteers under section 8(b)(1)(B) of the Small Business Act (SCORE and ACE);
4. income derived from certain sub-marginal land of the U.S. which is held in trust for certain Indian tribes;
5. payments received under the Job Training Partnership Act;
6. income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
7. payments received under the Alaska Native Claims Settlement Act;
8. the value of assistance to children or their families under the National School Lunch Act, as amended; the Child Nutrition Act of 1966; and the Food Stamp Act of 1977;
9. payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation;
10. payments to the Passamaquoddy Tribe and Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980;
11. payments under the Low-Income Home Energy Assistance Act, as amended;
12. Certain types of student financial assistance expressly excluded by WIC regulations - Student financial assistance received from any program funded in whole or part under Title
IV of the Higher Education Act of 1965, including: the Pell Grant, Supplemental Educational Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and Byrd Honor Scholarship programs; Excluded from income is any assistance received from these programs which is used for tuition and fees and including the costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study and an allowance for books, supplies, transportation, and miscellaneous personal expenses for a student attending a higher education institution on at least a half-time basis, as determined by the institution. Grant or loan funds for room and board and for dependent care expenses must be counted as income in the WIC eligibility determination.

13. mandatory salary deduction for college under the Veterans Education Assistance;
14. payments under the Disaster Relief Act of 1974, as amended;
15. payments received under the Carl D. Perkins Vocational Education Act, as amended;
16. payments pursuant to the Agent Orange Compensation Exclusion Act;
17. payments received for Wartime Relocation of Civilians under the Civil Liberties Act of 1988;
18. value of any child care payments made under section 402(g)(1)(E) of the Social Security Act, as amended by the Family Support Act (see Guidelines Section);
19. value of any "at-risk" block grant child care payments made under section 5081 of Public Law 101-508;
20. value of any child care provided or paid for under the Child Care and Development Block Grant Act, as amended;
21. mandatory salary reduction amount for military service personnel which is used to fund the Veteran's Educational Assistance Act of 1984 (GI Bill) as amended;
22. payments received under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of $2000;
23. payments received under the Cranston-Gonzales National Affordable Housing Act, unless the income of the family equals or exceeds 80 percent of the median income of the area;
24. payments received under the Housing and Community Development Act of 1987, unless the income of the family increases at any time to not less than 50 percent of the median income of the area;
25. payments received under the Sac and Fox Indian claims agreement;
26. payments received under the Judgment Award Authorization Act, as amended;
27. payments for the relocation assistance of members of Navajo and Hopi Tribes;
28. payments to the Turtle Mountain Band of Chippewas (Arizona);
29. payments to the Blackfeet, Grosventre, and Assiniboine tribes (Montana) and the Papage (Arizona);
30. payments to the Assiniboine Tribe of the Fort Belknap Indian community and the Assiniboine Tribe of the Fort Peck Indian Reservation (Montana);
31. payments to the Red Lake Band of Chippewas;
32. payments received under the Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgement Funds Act; and
33. payments to the Chippewas of Mississippi.
34. payments received by property owners under the National Flood Insurance Program (Public Law 109-64).
35. combat pay received by the household member under Chapter 5 of Title 37 or as otherwise designated by the Secretary.

D. lump sum payments classified as "reimbursement" which are defined as monies received from insurance companies for loss or damage of real or personal property, such as a home or auto, and payments that are intended for a third party to pay for a specific expense such as payment of medical bills resulting from accident or injury; operating expenses for those individuals who are self-employed; For farm income, operating expenses include, but are not limited to, cost of feed, fertilizer, seed and other farming supplies; cash wages paid to farmhands; depreciation; cash rent;
interest on farm mortgages; farm building repairs; and farm taxes (but not State and Federal income taxes). For nonfarm self-employed persons, operating expenses include, but are not limited to, the cost of goods purchased, rent, heat, utilities, depreciation, wages and salaries paid, and business taxes (but not personal income taxes). Applicant shall complete Form WIC 32 or provide most recent tax return. This shall be scanned and attached to client record.

E. loans, such as bank loans, which are temporarily available and shall be repaid.

Guidelines

I. LAs may need to contact the state agency (SA) for further guidance in evaluation of particular income exclusion, particularly for those with exceptions where a median income for the local area shall be determined. For example: items C. (22) and C. (23).

II. Child Care and Development Block Grant Program income exclusion: (Item II.(C) (19) above) These benefits shall be referred to as the TANF Child Care Program, the Title IV A Child Care Program, or the Choices Child Care Program. However, names of these programs vary from state to state:

A. In Texas, the child care programs which provide payments that are excluded from income are the Choices Child Care Program, the Transitional Child Care Program and the At-Risk Child Care Program which are administered by the Texas Health and Human Services Commission (HHSC).

B. HHSC allows parents participating in these programs to make their own arrangements for child care. The hired caretakers may be grandparents, aunts or uncles; however, the payments to these relatives shall be counted as income by these relatives if they apply for WIC Program benefits.

III. Basic allowance for quarters for military personnel residing on-base or
off-base is usually indicated on the military Leave Earnings Statement (LES) as:
A. Variable Housing Allowance (VHA);
B. Basic Allowance for Housing (BAH).

IV. Regarding II. B in Procedures Section, Value of in-kind housing and other in-kind benefits: If an employee does not receive as part of his/her wages/salary the dollar amount contributed to health insurance, for example, but the employer includes this employer contribution as part of the employee's gross income, the LA shall deduct the employer contribution amount from the applicant/participant's gross income. (Some employers process salary payments this way for a tax advantage to the employer.)