

MANUAL MATERIAL TRANSMITTED					
MANUAL: INCOME MAINTENANCE			CHANGE NUMBER: 155		
DELETE			INSERT OR CHANGE		
PAGES	CHAPTER	DATED	PAGES	CHAPTER	DATED
7	4	9/98	7	4	1/2000
8	4	10/98	8	4	1/2000
9-10	4	9/95	9-10	4	1/2000
11	4	10/95	11	4	1/2000
12-17	4	4/97	12 - 17	4	1/2000
18	4	1/98	18	4	1/2000
19	4	7/97	19	4	1/2000
20	4	4/97	20	4	1/2000
21	4	10/97	21	4	1/2000
22-25	4	4/97	22-22a	4	1/2000
23 - 24	4	4/97	23 - 24	4	1/2000
			24a	4	1/2000
25	4	4/97	25	4	1/2000
37 - 38	4	1/98	37 - 38	4	1/2000
39	4	8/95	39	4	1/2000
40	4	12/96	40	4	1/2000
			40a - 40k	4	1/2000
37 - 38	10	1/98	37 - 38	10	1/2000
39	10	8/95	39	10	1/2000
40	10	12/96	40 - 40k	10	1/2000
DATE: JANUARY, 2000 TO: ALL INCOME MAINTENANCE MANUAL HOLDERS					

This change is being made to rewrite the FS income policy. Most of the new material has been covered in numerous training sessions and there is a video tape available to help explain the policy. It is effective January 1, 2000.

The information is being added only to Section 10.4,A (FSP) in this change due to some computer problems involved with the relocation of the Policy Unit outside the Capitol Complex. At a

## B. INCOME

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
<p>1. Earned Income. Verify source, amount and frequency of receipt.</p> <p><b>NOTE:</b> All income which is used by the Worker when determining income for the next eligibility period is verified. See Budgeting Method sections for all programs.</p>	All Programs and coverage groups with an income test	<p>Prior to approval, at redetermination.</p> <p>Medicaid: When a change in the amount is reported; When CHIP II recipient appears to become income-eligible for Medicaid, income must be verified prior to Medicaid approval.</p> <p>FS and WV WORKS cases: When a change is reported, verify rate of pay, source, job status, pay frequency.</p>	<p>Pay stubs, written statement from employer, self-employment records, Work Record Sheet ES-17</p> <p>Use the best source of verification available. When there is absolutely no other source of verification the client's statement must be used.</p>

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
<p>3. Savings Bond Received As A Gift</p> <p>Verify date of purchase and cash-in value</p>	<p>SSI-Related, PAC, CDCS, QDWI, QMB, SLIMB, QI-1 and QI-2</p>	<p>When bond is at least 6 months old: prior to approval, when client reports additional bonds. If bond is not 6 months old: Verify 6 months from date of issue</p>	<p>Bond, financial institution</p>
<p>4. Lump Sum Payment</p> <p>Verify amount used to meet life-threatening situation or amount unavailable.</p>	<p>WV WORKS</p>	<p>Prior to shortening the period of ineligibility</p>	<p>Media stories, statement of knowledgeable person, police reports, hospital reports, physician's statement</p>
<p>5. IRS Information</p>	<p>All Programs</p>	<p>When reported through IEVS</p>	<p>See Chapter 3.</p> <p>Use the best source of verification available. When there is absolutely no other source of verification the client's statement must be used.</p>

TEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
3: Shelter Expenses	FS	When the homeless AG claims actual expenses in excess of the HSS.	Current bills or receipts. If a homeless benefit group has difficulty obtaining traditional types of verification, the Worker must use judgement in determining if verification obtained is adequate. <b>EXAMPLE:</b> A homeless individual claims incurred shelter costs for several nights. The costs are comparable to those incurred by other homeless people. The Worker may decide to accept this information and require no further verification.

## D. DEPRIVATION FACTOR INFORMATION

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
1. Incapacity	AFDC Medicaid, AFDC-Related Medicaid	Prior to approval, prior to changing deprivation factor to incapacity, prior to addition of the incapacitated parent and as required by MRT.	Receipt of RSDI or SSI based on disability; MRT decision
2. Attachment To The Labor Force	AFDC Medicaid, AFDC-Related Medicaid when deprivation factor is unemployment	Prior to approval, at redetermination, prior to changing deprivation factor to unemployment, prior to addition of an individual with a deprivation factor of unemployment	Pay stubs, Wage Match printout, statement from employers, receipt of UCI in last 12 months, W-2 forms, self-employment records, copy of income tax return, Work Record Sheet ES-17
3. Good Cause For Leaving Or Refusing Employment	AFDC Medicaid, AFDCU-Related Medicaid when deprivation factor is unemployment	Prior to approval when the client states he left or refused employment within a time frame which could affect eligibility.	Employer's statement, Employment Services decision, documents from a grievance board

7. Joint Custody	AFDC Medicaid, AFDC-Related Medicaid	Prior to approval; when deprivation factor changes to absence and the client indicates there is joint custody	Joint custody must be specifically stated in the custody order.
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ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
2. An Individual Needed In The Home To Care For An Ill, Handicapped Or Disabled Person	FS, WV WORKS	Prior to exempting the individual from participation, at redetermination	Definitive statement from physician, licensed psychologist; MRT decision for WV WORKS
3. Pregnant	FS, WV WORKS	Prior to exemption  FS only: Exemption applies only to ABAWD time limits.	Statement from physician or other licensed health care provider, which shows the expected date of delivery.
4. Good Cause For Leaving Or Refusing Employment	FS, AFDC Medicaid and WV WORKS	When a benefit group member leaves or refuses employment and claims he had good cause.	Employer's statement, grievance board decisions, statements of witnesses, BEP decision

## F. ENUMERATION

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
1. Application For SSN	All, except Medicaid CEN coverage group	Prior to approval; prior to adding an individual to the benefit group	SSA/DHS-3; written statement from SSA; for newborns only, SSA Form 2853 Enumeration at Birth form
2. SSN Of Individuals Who Have A Number	All, except Medicaid CEN coverage group	Prior to approval; prior to adding an individual to the benefit group	Social Security Card, written statement from SSA, data system
3. SSN Of Individual Referred To SSA	FS	At the redetermination following the application for an SSN	Social Security Card, written statement from SSA



## H. GENERAL FACTORS

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
1. Identity	All Programs and coverage groups except CHIP I and CHIP II	Prior to approval  <b>NOTE:</b> Is not waived for FS Expedited Service cases	Driver's license, school records, marriage records, library card, credit cards, Employment Services registration card, Social Security card, written statements from neighbors, police records, employment records
2. Residence	FS	Prior to approval	Rent or mortgage receipts, landlord's statement, written statements from neighbors, employment records

<p>4. Good Cause For Refusal To Cooperate With BCSE</p>	<p>WV WORKS and all Medicaid coverage groups</p>	<p>WV WORKS: When the caretaker relative is included in the AG and does not cooperate and claims good cause.</p> <p>Medicaid: When an individual who can legally assign medical support rights does not cooperate and claims good cause.</p>	<p>Police reports, collateral statements from persons knowledgeable about the client's situation, counselor's reports, medical records</p>
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ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
5. Specified Relationship	AFDC Medicaid, AFDC/U-Related Medicaid, WV WORKS	Prior to approval when paternity has not been established, and a relative of the child's putative father applies as a specified relative	Birth certificates, statements of physicians or midwives who attended the birth, family Bible, wills or deeds which specify paternity, records of social services agencies, DHHR records, hospital records, juvenile court records, school records, income tax returns. In the absence of any documentary proof, the relative's statement about the reason there is no proof, and at least one notarized statement from a person knowledgeable about the situation is acceptable. The notarized statement must describe the relationship and explain how the individual knows it to be true.

10. Compliance with PRC Requirements	WV WORKS	At time limits established in the PRC.	Contact with other agency or institution, written notice of compliance from the entity with whom the client was required to participate; copies of official documents from other agency or institution.
11. Adult-Supervised Living Arrangement	WV WORKS	Prior to approval; at each redetermination; when a change is reported.	Contact with the supervising adult; written statement from the supervising adult; collateral contacts; home visit.
12. 60-Month Lifetime Limit	WV WORKS	Prior to approval beginning in October, 2001.	RAPIDS; case record information; contact with other states; Departmental printouts or other records.
13. 24-Month Time Limit	WV WORKS	Prior to approval beginning October, 1998	RAPIDS; case record information; contact with other states; Departmental printouts or other records; BEP records.

ITEM	PROGRAMS	WHEN TO VERIFY	POSSIBLE SOURCES OF VERIFICATION
14. Offer or Guarantee of Employment or Other Income	WV WORKS	Prior to approval of DCA payment	Contact with future employer or entity from which the income is expected.

## 10.4 FOOD STAMP PROGRAM

### A. BUDGETING METHOD

Eligibility is determined and benefits are issued on a monthly basis. Therefore, it is necessary to determine a monthly amount of income to count for the eligibility period. The following information applies to earned and unearned income.

For all cases, the Worker must determine the amount of income that can be reasonably anticipated for the AG. For all cases, income is projected\*; past income is used only when it reflects the income the client reasonably expects to receive.

**\*NOTE:** There is one exception to this. It is found below in item 5.

#### 1. Methods for Reasonably Anticipating Income

There are 2 methods for reasonably anticipating the income the client expects to receive. One method uses past income and the other method uses future income. Both methods may be used for the same AG for the same certification period because the method used varies with the circumstances of each source of income. The situations which prompt usage of one or the other method are listed below. More details are contained in the follow items.

Use past income only when both of the following conditions exist for a source of income:

- Income from the source is expected to continue into the certification period; and
- The amount of income from the same source is expected to be more or less the same.

**NOTE:** For these purposes, the same source of earned income means income from the same employer, not just the continued receipt of earned income.

Use future income when either of the following conditions exist for a source of income:

- Income from a new source is expected to be received in the certification period; or

from a longer period of time, all of the income received from that source during that time period must be considered. All pay periods during the appropriate time period must be considered and must be consecutive.

When the client applies or is redetermined on the day income has or will be received, income received on that date is also considered along with the income from at least the prior 30 days from the same source.

When the client applies on one day, but the application/redetermination interview is conducted later, all income received between the date of application and the date of the interview is considered along with the income from at least the 30 days prior to the date of application from the same source.

**EXAMPLE:** Application/interview date = June 1<sup>st</sup>  
Paid weekly on Fridays  
Last pay = May 28<sup>th</sup>

Pays in last 30 days = May 28<sup>th</sup>  
May 21<sup>st</sup>  
May 14<sup>th</sup>  
May 7<sup>th</sup>

**EXAMPLE:** Application/interview date = December 6<sup>th</sup> \*\*  
Paid weekly on Mondays  
Last pay = December 6<sup>th</sup> \*\*

Pays in last 30 days = November 29<sup>th</sup>  
November 22<sup>nd</sup>  
November 15<sup>th</sup>  
November 8<sup>th</sup>

\*\* Because he was paid on the date of application, the December 6<sup>th</sup> pay must also be considered.

**EXAMPLE:** Application date = October 8<sup>th</sup> \*\*  
Interview date = October 20<sup>th</sup> \*\*  
Paid weekly on Fridays  
Last pay at application = October 8<sup>th</sup> \*\*  
Last pay at interview = October 15<sup>th</sup> \*\*

Pays in last 30 days (prior to application) =  
October 1<sup>st</sup>  
September 24<sup>th</sup>  
September 17<sup>th</sup>  
September 10<sup>th</sup>

different amount from an old source, in the new certification period.

If not, none of the following steps are necessary. However, the Worker must record the client's statement that he does not expect income from a new source.

Step 2: Determine the amount of income the client can be reasonably expected to receive from the new source, or the new amount from the old source.

If the amount of income cannot be reasonably anticipated, none of the following steps are necessary and income from this source is not considered for the new certification period. The Worker must record the client's statement that he expects income from a new source or that the amount from an old source will change. In addition, the Worker must record why the amount of income cannot be reasonably anticipated and information about all the attempts made to determine the amount.

When it is possible to reasonably anticipate a range of income, the minimum amount that can be anticipated is used.

EXAMPLE: A client is scheduled to start work in February, the month following the month of application. He knows he will earn \$5.15/hour, but is not sure how many hours he will work. The Worker verifies through the employer that he will work 30-40 hours/week. The Worker anticipates the income by using 30 hours, the minimum number of hours he is expected to work.

Step 3: Determine when the client can be reasonably expected to receive income from the new source or the changed amount from the old source.

If the date of receipt cannot be reasonably anticipated, income from this source is not considered. The Worker must record the client's statement that he expects income from a new source or a change in the amount from an old source. In addition, the Worker must record why the date of receipt cannot be anticipated and information about attempts made to determine the date of receipt.

Step 4: When the amount and date of receipt can be anticipated, the Worker treats the income according to item 4 below.



the client receives lower benefits. Should the client report fluctuations in the amount of income, the Worker is only required to recalculate the countable income when, in his judgement, the fluctuation will significantly impact the coupon allotment. All changes reported by the client must be considered, but not necessarily used. Reported changes must be recorded and the Worker must record why the reported income was or was not used.

Conversion of income to a monthly amount is accomplished by multiplying an actual or average amount as follows:

- Weekly amount x 4.3
- Bi-weekly amount (every 2 weeks) x 2.15
- Semi-monthly (twice/month) x 2

Proration of income to determine a monthly amount is accomplished by dividing the amount received by the number of time periods it is intended to cover as follows:

- Bi-monthly amount (2 months) ÷ 2
- Quarterly amount (3 months) ÷ 3
- Semi-annual amount (twice/year) ÷ 6
- Annual amount ÷ 12
- 6-week amount ÷ 6 and converted to monthly amount by using x 4.3
- 8-week amount ÷ 8 and converted to monthly amount by using x 4.3

**EXAMPLE:** A woman begins working on the 2<sup>nd</sup> Monday of a month. She earns \$200/wk and is paid every Friday. Her average weekly pay is \$200. For the 1<sup>st</sup> month she has earnings, she expects to be paid 3 times. Her income for the month is \$200 x 3 = \$600. A change must be made for the anticipated income from the 2<sup>nd</sup> month of her employment.

**EXAMPLE:** Family of 4. The man works and earns a monthly salary of \$300. His wife works parttime and is paid weekly. She earns \$5.15/hr., but the number of hours she works fluctuates each week. His mother receives \$150 every 3 months from the mineral rights to some property she owns out of state. His son just received a disability insurance check in the amount of \$420 for the past 6 weeks. Income is determined as follows:

Monthly Pay, Amount Stable = \$300 Salary = Monthly Amount

More Often, Amount Fluctuates = \$5.15/hr. x Average No. Hours/week x 4.3 Monthly Amount

Less Often = \$150 ÷ 3 Mos. = Monthly Amount

received on September 15<sup>th</sup> are used to determine his eligibility and benefit level for the month of application.

b. Recipients

When:

- A client reports the beginning or ending of a source of income; and
- The client is not expected to receive a full month's income, i.e., the appropriate number of payments within the month,

income from this source must not be converted to a monthly amount.

Instead, the Worker must use the actual amount of income. If income from the source is ending, no income from the source is counted in future months. Income from this source for the past 30 days or from the current month must not be used to convert the terminated income to a monthly amount.

If the income from the source is beginning, the Worker must use income already received from the source plus the amount expected to be received from this source later in the month. This is the amount used as income for the month following the change. Income from this first month must not be used to convert the income to a monthly amount until the second month following the change.

6. Examples

The following are examples of methods to anticipate income, based on several different situations. The Worker must always base anticipated income on the individual situation, not solely on the information contained in the examples below.

**EXAMPLE:** An application is made on June 22<sup>nd</sup>. The client indicates that he is paid biweekly and he does not expect any change in his income. The Worker requests that the client provide information about pay received in the 30 days prior to June 22<sup>nd</sup> and uses this income to anticipate income for the certification period. The Worker records the client's statement about expecting no changes, as well as how the income was verified and the method used to convert the income to a monthly amount.

was verified and determined for the month of application, how the income was calculated for the months following the month of application.

**EXAMPLE:** An application is made June 26<sup>th</sup> and the client indicates that he began a new job the week prior to application. He is going to be paid biweekly and has not received a pay yet. He states that he will work 35 hours per week and receive \$12.75 per hour. The client does not expect any changes in hours or rate of pay. The Worker requests a statement from the client's employer for the number of hours and hourly rate of pay and anticipates income for the certification period as follows:

\$12.75	hourly rate
<u>x70</u>	hours for 2 weeks
\$892.50	Anticipated biweekly pay
 \$892.50	
<u>x2.15</u>	
\$1918.88	Anticipated monthly pay

The Worker records the client's statement about no expected changes in income and his lack of pay to date, as well as how the income was verified and calculated.

**EXAMPLE:** An application is made September 13<sup>th</sup> and the client states that he is self-employed. He grows and sells Christmas trees. Most of his income for the year from the sale of trees is earned during the months of November and December. In addition, he sells the leftover trees to the local city government to use for mulch. He receives some income each month from the leftover trees and the amount fluctuates during the year. He states that he anticipates that his earnings will be less from Christmas sales this year because many of his trees were damaged in a fire last spring. He estimates he lost at least half of the trees which he planned to sell this year. He is unable to determine at this time if his sale of trees to the city will be affected after Christmas, but currently his income from this source has not changed. The Worker requests that the client provide income received in the previous year from his sales to the city and his Christmas tree sale earnings for the previous season. Anticipated income is based on an average of monthly sales to the city and ½ of the previous year's Christmas tree sales. The Worker records the client's situation in detail, how past income was verified and the method used to anticipate income for the new certification period.

**EXAMPLE:** A woman applies on March 2<sup>nd</sup>. She does not work and her only source of income is child support from 3

September 15th	35 hrs.	\$180.25 wages	\$88.00 tips
September 30th	60 hrs.	\$309.00 wages	\$130.00 tips
October 15th	32 hrs.	\$164.80 wages	\$83.00 tips
October 30th	35 hrs.	\$180.25 wages	\$88.00 tips
November 15th	12 hrs.	\$61.80 wages	\$32.00 tips
November 30th	35 hrs.	\$180.25 wages	\$88.00 tips

During the interview Ms. Doubtfire provides the following additional information: She earns \$5.15/hr. She does get some tips, but rarely the amount shown on her pay stubs. She says that the employer determines the amount shown as tips by some formula that she does not understand because he is required by IRS to report them. She does not have to share her tips with any other employee and they do not share tips with her. She says that during a "good" week she makes about \$20 in tips. The employer never sees her tips, she does not report the amount to him and is not required to do so. The Worker pends the case for verification of the way the employer determines the amount of tips shown on her pay stubs and reported to the IRS. The client provides the following note from the employer:

To Whom It May Concern:

Ms. Doubtfire works for me at the Dew Drop Inn as a waitress. I pay her \$5.15 for every hour she works. She does make some in tips, but I don't know how much. The IRS makes me figure her tips so I do it according to how much food she sells. I don't think she really gets that much. None of my waitresses do, but the IRS makes me do it.

Very truly yours,  
Big Pat Holcomb

There is no 3<sup>rd</sup>-party, independent verification available for the amount of Ms. Doubtfire's tips. However, she does state that she receives tips, so income from the tips cannot be disregarded. The only way to verify the amount of tips is to accept her statement as to the amount.

1. Earned Income Disregard

Twenty percent (20%) of gross non-excluded earned income, including gross profit from self-employment, is disregarded. This disregard is applied to the combined earnings of all members of the benefit group and to those persons whose income is counted or deemed. It is intended to cover those expenses incidental to employment or training, such as transportation, meals away from home, special clothing and payroll deductions.

2. Standard Deduction

A Standard Deduction is applied to the total non-excluded income counted for the benefit group, after application of the Earned Income Disregard. The amount of the Standard Deduction is found in Appendix B.

3. Dependent Care Deduction

A deduction is allowed for payment for the care of a child or other dependent, when the expense is necessary for a benefit group member to accept, continue or seek employment or training, or pursue education which is preparatory to employment. Persons enrolled in an institution of post-secondary education, in a course of study designed to lead to any degree, are considered to be pursuing education which is preparatory to employment. Persons taking only elective classes or some specialized classes, or who do not have a declared major do not qualify for this deduction.

The deduction cannot exceed the dependent care caps found in Appendix B. Third-party payments made for dependent care are not used as a deduction.

Dependent care expenses are deducted from educational funds to the extent that they are earmarked and/or used