

MANUAL MATERIAL TRANSMITTED

MANUAL: INCOME MAINTENANCE			CHANGE NUMBER: 82		
DELETE			INSERT OR CHANGE		
PAGES	CHAPTER	DATED	PAGES	CHAPTER	DATED
193 - 194	10	1/97	193 - 194	10	7/97
			194 a	10	1/97
DATE: June, 1997			TO: All Income Maintenance Manual Holders		

The 1996 federal welfare reform bill gave the states the option of continuing or eliminating the \$50 child support disregard, also called the child support pass-through.

In the past session, our State Legislature opted to continue this payment with TANF funds. The first \$50 of child support received by the client each month is disregarded as income for TANF, WV WORKS, QC and PL Children, and AFDC/U-Related Medicaid. It still counts as Food Stamp income.

This payment is now referred to as the Child Support Incentive.

This change adds the Child Support Incentive as an income disregard/deduction for WV WORKS. This change is effective July 1. ALL WV WORKS COUNTIES MUST REVIEW THEIR CASELOADS AND APPLY THIS INCOME DISREGARD FOR WV WORKS BENEFITS EFFECTIVE JULY 1, 1997.

Chapter 10 is currently being revised to update WV WORKS and TANF sections and the appropriate reference to the Child Support Incentive in 10.3,L will be incorporated into that change.

Questions should be directed to the IM Policy Unit in the Office of Family Support.

- Step 1: See above.
- Step 2: See above.
- Step 3: Earnings of $\$700 \div 4 = \175 average.
UCI of $\$150 \div 2 = \75 average.
Earnings of $\$1200 \div 12 = \100 average.
- Step 4: Weekly earnings of $\$175 \times 4.3 = \752.50 converted.
Biweekly UCI of $\$75 \times 2.15 = \161.25 converted.
Annual contract earnings = $\$100$ converted.
- Step 5: $\$752.50$
 $+100.00$
 $\$852.50$ Projected monthly earned income
- Step 6: $\$161.25$ Projected monthly unearned income

B. INCOME STANDARD DEDUCTION

1. Earned Income

Refer to Appendix F.

The earned income deduction is 40%.

2. Unearned Income

The only unearned income disregard or deduction is the first \$50 of child support received. This is called the Child Support Incentive.

Special consideration must be given to applicants as follows.

If the client is receiving child support payments at the time of application, and the application is approved, it may not be possible or practical for him to redirect the support payment received during the effective month of approval. It is also possible that the child support, which has already been redirected to CSED, has been released to the client. In these situations, the first \$50 is disregarded and the remainder is counted as income.

The client is not considered out of compliance with the redirection requirement if he fails to redirect when:

4. Self-Employment Income

When the benefit group member or disqualified individual(s) receives self-employment income, the instructions below must be used to arrive at the gross profit which is used to calculate countable income. This is determined by subtracting allowable business expenses from the gross income.

a. Determining Gross Income

The method used to determine monthly gross income from self-employment varies with the nature of the enterprise. It is necessary to determine which of the following types of self-employment applies to the client's situation. Once the pattern of self-employment is determined, this is used to determine how the income is counted.

(1) Persons Receiving Regular Income

These persons receive income on a more or less regular schedule (weekly, monthly, etc.), or receive a specific amount from the business each week or month and/or receive the balance of profit from the enterprise at the end of the business year.