

**EXAMPLE:** Same situation as above except that the family used most of the lump sum to pay for the birth of a new baby. The use of the money was under the control of the AG, so the period of ineligibility cannot be shortened for this reason. However, the case must be submitted to the Policy Unit for consideration as a life-threatening situation.

**EXAMPLE:** A WV WORKS family receives a lump sum payment of \$12,000. The recipient sets up a trust fund for each of his children in the amount of \$4,000 each. The trust funds stipulate that the children may not receive any of the money until they turn 21 years of age. Use and control of the lump sum amount belonged to the AG when the trust funds were set up, so the period of ineligibility is not shortened.

**EXAMPLE:** A WV WORKS family of 3 received a lump sum payment of \$2,600 in July. They were determined ineligible for 2 months, with \$60 counted as income in the third month. In July, they purchased a new television set and a new refrigerator. The remainder of the money, \$150, was kept in the house. In August, the client reports that the house and all the contents were destroyed by fire. The period of ineligibility is redetermined as follows:

\$2,600	Original lump sum amount
<u>- 150</u>	Amount destroyed
\$2,450	New amount which is prorated

The family remains ineligible for July and August.

**EXAMPLE:** A WV WORKS family of 4 receives a lump sum payment of \$4,500 in December. They are determined ineligible for December, January and February with \$87 counted as income in March. In February, the client reports that \$2,700 was stolen early in February. He reapplies on February 10th and is found eligible on that date.

The recomputation is as follows:

\$4,500	Original lump sum amount
<u>-2,700</u>	Amount stolen
\$1,800	New amount which is prorated

The recalculated period of ineligibility is December and \$329 is counted as income in January. The family is eligible for a prorated check for February.

**EXAMPLE:** Same situation as above except that the money was stolen on January 10th. The result is the same as above since the client did not reapply and establish eligibility until February 10th.

12. Withheld Income

a. From Earned Income

Earnings withheld to repay an advance payment are disregarded, if they were counted in the month received. If not counted in the month received, the withheld earnings are considered income. No other earned income is excluded from consideration just because it is withheld by the employer.

b. From Unearned Income

All withheld unearned income is counted, unless an amount is being withheld to repay income that was previously used to determine AFDC/U, TANF or WV WORKS eligibility.

13. Funds Diverted To A Pass

Funds diverted to a PASS account are counted as earned or unearned income, depending on the source.

14. Unstated Income

Unstated income is income that has not been reported by the household, and is not otherwise known to the agency, but is determined to exist because the client's paid living expenses exceed income from known sources.

The amount of unstated income is the difference between the known monthly income and the monthly paid living expenses.

When the information in the client's record, including statements of the client or third-parties, indicates that paid expenses exceed the stated income, the existence of unstated income must be explored.