

There is no 3rd-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.

There is no other source of verification available, so the Worker must accept her statement. The Worker must record that the employer confirmed that the tips shown on the pay stubs do not necessarily reflect the amount she actually receives, that this is the best information that can be provided to verify the situation and that the client's statement is accepted as verification.

B. INCOME DISREGARDS AND DEDUCTIONS

The following disregards and deductions are applied to income.

1. Earned Income

If new employment is not reported, without good cause, within 10 days of the date an AG member or disqualified person begins the employment, the earned income disregards and deductions are not applied to any month's income for which earnings were not reported. These same disregards and deductions are not applied to any earnings received during the time the employment is unreported. In addition, when new employment is not reported, as required by the PRC, the appropriate sanction is applied. See Chapter 13.

a. Earned Income Disregard

The gross earned income of all Income Group members is reduced by 40%. The remaining amount is the countable earned income.

b. Dependent Care Deduction

When the employed AG member or disqualified person must pay for dependent child or incapacitated adult care to accept or continue employment or training, a deduction from income must be allowed. There is not a maximum amount for this deduction. The dependent need not be receiving WV WORKS for the deduction to apply.

Only payments made from the person's own funds are deductible. Clients with these expenses must be offered a referral to the Division of Children and Adult Services for help in meeting these expenses. However, there is no penalty for failure to accept these services.

2. Unearned Income

The only unearned income disregard or deduction is **redirected child support of up to \$100 per month for families with 1 child and up to \$200 for families with more than 1 child eligible for TANF.**

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 BCSE, has been released to the client. In these situations, **up to \$100 per month for families with 1 child and up to \$200 for families with more than 1 child eligible for TANF** 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:

- The child support payment is received during the effective month of approval of the application. The Worker considers the unredirected child support payment in excess of **\$100 or \$200 depending on the number of children eligible for TANF** as income only in the month of application
- It is the initial child support payment that is received by a recipient. The overpayment is recovered through the BCSE repayment process and the child support payment is not counted as income.

All child support must be redirected, unless only a DCA payment is received.

NUMBER OF CHILDREN	MAXIMUM PASS-THROUGH
1	\$100
2 or more	\$200

C. DETERMINING ELIGIBILITY AND BENEFIT LEVEL

NOTE: See Section 2.17,D for the procedure used to determine an individual's portion of a cash assistance check when requested by SSA for an SSI recipient.

To determine eligibility for a DCA payment, see Chapter 1. Countable income is used to determine eligibility only. It is not used to determine the amount of the DCA payment.

NOTE: The income of the disqualified person(s) is included in determining the amount of income available to the AG. However, the needs of the disqualified person(s) are not considered in any step of the eligibility determination process.

NOTE: The earned income of a child or parent, under age 18, who is enrolled in secondary school or a program for a GED, is disregarded at all steps of the eligibility determination process.

1. Child Support Pass-Through

A payment of up to \$100 for families with 1 child or \$200 for families with more than 1 child of child support collected on behalf of a family receiving WV WORKS will be passed through to the family.

This payment is referred to as the child support pass-through. Pass-through payment amounts will depend on the amount of child support collected by BCSE, but must not exceed the \$100 or \$200 limits.

The amount of child support pass-through of up to \$100 or \$200 is excluded as unearned income for WV WORKS, WV WORKS solely state funded programs, DCA, and EAP. This payment is in addition to the CSI and will be issued in conjunction with the CSI.

2. Determining Eligibility - 100% Of Need Test

The AG is ineligible in any month that its non-excluded monthly gross income exceeds 100% of the Standard of Need. The test is applied as follows:

Step 1: Add together the total non-excluded gross earned income, the gross profit from self-employment and the non-excluded gross unearned income of the AG and any disqualified person(s).

Step 2: Determine the 100% of Need amount in Appendix A of this Chapter for the appropriate AG size, excluding the disqualified person(s).

Step 3: If the amount in Step 1 is greater than the amount in Step 2, the AG is ineligible.

Step 4: If the amount in Step 1 is equal to or less than the amount in Step 2, the AG is eligible for further determinations.

3. Child Support Incentive (CSI)

A \$25 benefit increase is provided to any WV WORKS AG when child support, in any amount, is collected for a child in the AG. **This payment is in addition to the child support pass-through amount.**

NOTE: The CSI is applicable, even when the family is eligible for the maximum WV WORKS payment. When an applicant receives child support in the month of WV WORKS approval, either directly from the absent parent, or from BSCE, no CSI is issued for the month of approval. For all other applicants and recipients, the CSI is effective the month following the month child support is redirected. If child support is not paid to BCSE for a given month, no CSI is issued for that given month in the following month.

EXAMPLE: Ms. Brown has 1 child and she receives WV WORKS cash assistance of \$ 301. Child support collected for this month is \$175. Because of the pass-through Ms. Brown will receive \$125 next month in addition to her normal WV WORKS benefits. The \$125 will not be counted as income for her WV WORKS eligibility and is her pass-through and CSI together.

EXAMPLE: Ms. Smith has 2 children and she receives WV WORKS cash assistance in the amount of \$340. Child support collected for this month is \$195. Because of the pass-through Ms. Smith will receive the \$220 next month in addition to her normal WV WORKS benefits. The maximum amount of pass-through is \$200 for 2 or more children eligible for TANF. The \$220 will not be counted as income for her WV WORKS eligibility and is her \$195 pass-through and \$25 CSI payment together.

To receive the CSI, the following conditions must be met.

- Child support is redirected to BCSE; and
- The redirected amount is current child support**; and
- The OSCAR child support payment code on RAPIDS Screen IVFI is AC, GR or AR; and
- The child for whom the support was paid is a WV WORKS recipient for the collection month.

**Current support is child support for a month that CSI is automatically issued.

RAPIDS processes BCSE collection information a month after the collection is received and CSI payments are automatically issued for the current month (the month of receipt by BCSE) and the 3 months immediately proceeding the current month.

The monthly CSI benefit is deposited into the EBT account and available on the 20th of each month. A supplemental CSI payment is available the day after it is issued in RAPIDS. When the client chooses direct deposit for WV WORKS, the monthly CSI benefit is also received by direct deposit. The CSI is available on approximately the 20th calendar day of the month. The client receives a notice of the deposit and the month for which the CSI is being paid.

EXAMPLE: A redirected child support payment is received by BCSE in April, for the April child support obligation. The current month for RAPIDS' CSI purposes is April. A CSI is automatically issued for April child support during the month of May. If the payment received in April included payment for January, February and/or March, CSI payments are automatically issued for those months also.

All supplemental CSI payments require written approval from the RAPIDS Help Desk. The following information must be provided to the Help Desk in a GroupWise message.

- Case number
- Case name
- The month in question
- A brief explanation of why the client should have received a CSI payment
- When N/A is displayed in the AP Seq Number on Screen IVFI which indicates a mismatched AP sequence number.

RAPIDS staff will evaluate the reported problem and advise the local office of any required action. No approval will be granted unless this process is used. In addition, RAPIDS consults with BCSE State Office staff to correct AP sequence number mismatches. Supplemental CSI benefits are deposited in the EBT account.

EXCEPTION: The Worker may issue a supplemental CSI payment without prior approval only when the case number is written to MOBIUS Report WRBI271A, CSI Payments Not Issued Report. Auxiliary Reason Code 921 is used.

Adverse action notice requirements do not apply when a CSI will not be paid. However, they do apply when receipt of the CSI affects another benefit.

When a WV WORKS case is closed, and child support is received by BCSE in the effective month of closure, a CSI is issued in the month after closure for the child support received in the effective month of closure.

EXAMPLE: A WV WORKS AG is closed effective August for excessive earned income. The last month of receipt of a WV WORKS benefit is August, and child support is received by BCSE in August. A \$25 CSI is issued in September for August.

When received ineligibly, the CSI is subject to repayment. See Section 20.3. Received eligibly includes, but is not limited to, BCSE crediting a payment to the wrong case, or the client failed to report income and received a WV WORKS benefit ineligibly.

4. Determining Countable Income

Once the 100% of Need test is met, the following steps are taken.

- Step 1: Add together the non-excluded gross earned income of the AG and any disqualified person(s).
- Step 2: Subtract the Earned Income Disregard, i.e., 40% of earnings.
- Step 3: Subtract the Dependent Care Deduction for each person who pays dependent care.

This resulting amount is the Total Countable Earned Income.

- Step 4:** Total all child support collected by BCSE.
- Step 5:** Subtract the child support pass-through amount from Step 4, up to \$100 or \$200 for children eligible for TANF.
- Step 6:** Add all other non-excluded unearned income of the AG and any disqualified person(s). The resulting amount is the countable unearned income.
- Step 7:** Add together the total countable earned income and unearned income. The resulting amount is the total monthly countable income.
- Step 8:** Determine the maximum WV WORKS benefit amount for the AG size, using Appendix A.
- Step 9:** If the amount arrived at in Step 7 equals or exceeds the amount in Step 8, the AG is ineligible. If the amount arrived at in Step 7 is less than the amount in Step 8, the AG is income eligible and the amount from Step 7 is subtracted from the amount in Step 8.
- Step 10:** If a sanction is applicable, multiply the Step 9 amount by .3333 (1/3) or .6666 (2/3) and drop any cents, or use Appendix F. Subtract this amount from the Step 9 amount.
- Step 11:** Subtract any repayment amount from the amount remaining. The result is the WV WORKS benefit amount.

D. SPECIAL SITUATIONS

1. Categorical Eligibility

SNAP Categorical Eligibility has no bearing on the WV WORKS check or how the check is issued.

2. Expedited Service

The SNAP requirement of Expedited Service has no bearing on the WV WORKS check or how the check is issued.

3. Destitute AG's

The SNAP requirement of Destitute AG's has no bearing on the WV WORKS check or how the check is issued.

4. Self-Employment Income

When the AG 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.

The income of people in this situation is converted to a monthly amount according to item A above.

Business expenses may be computed on a monthly basis or prorated over a 12-month period, at the client's option.

(2) Persons Receiving Irregular Income

Many persons derive income from short-term seasonal self-employment. This seasonal enterprise may be the major source of income for the year, or the income may be only for the period of time the person is actually engaged in this enterprise, with other sources of income being available during the remainder of the year. Persons who are seasonally self-employed include vendors of seasonal commodities (produce, Christmas trees, etc.), or other seasonal farmers.

Cash-crop farmers and other persons similarly self-employed receive their annual income from self-employment in a short period of time and budget their money to meet their living expenses for the next 12 months. Included in this category are some seasonal farmers, when the seasonal income is the primary support for the year.

Since the income is seasonal, it must be averaged over the period of time it is intended to cover, even if it is the major source of income for the year. However, if the averaged amount of past income does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the income is calculated based on anticipated earnings.

Business expenses may be computed on a monthly basis or prorated over a 12-month period, at the client's option.

(3) New Business

AG's with a new business that has been in existence less than a year have their income averaged over the amount of time the business has been in operation. From this, the monthly amount is projected for the coming year. However, if the averaged amount of past income does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the income is calculated based on anticipated earnings.

Incurred business expenses are also averaged over the amount of time the business has been in operation. However, if the averaged amount of past expenses does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the expenses are calculated based on anticipated costs.

b. Determining Gross Profit

Gross Profit from self-employment is the income remaining after deducting any identifiable costs of doing business from the gross income.

(1) Deductions

Examples of allowable deductions are:

- Employee labor costs
- Stock and supplies
- Raw material
- Seed