

Department of Public Health  
and Human Services

Section:  
INCOME

SUPPLEMENTAL NUTRITION ASSISTANCE  
PROGRAM (SNAP)

Subject:  
Earned Income

**Supersedes:** FS 502-1 (04/01/08), SNAP Bulletin 71 (04/22/09)

**References:** 7 CFR 273.2, 273.9, 273.11

**GENERAL RULE** -- All earned income received by the filing unit is considered when determining eligibility for the Supplemental Nutrition Assistance Program (SNAP). All earned income, whether countable or excluded according to policy, is entered and coded appropriately on the TEAMS EAIN and/or SEEI screens.

**ADVANCES** Advanced wages are countable in the month received when the advance

**ON WAGES** is anticipated; code 'WA'.

**NOTE:** The amount withheld from subsequent paychecks to repay the advance is excluded income, even if the advance was not counted when it was received.

**AMERICORPS AND AMERICORP\*VISTA** Americorp NCC, Americorp 'direct', and Americorp\*VISTA administers a number of different programs. The funding source must be verified if questionable.

Americorp NCC currently does not administer any programs in Montana.

Payments from programs administered by AmeriCorp 'direct' are excluded.

**NOTE:** Montana Conservation Corp is a program administered by Americorp 'direct' and payments are excluded.

Americorp\*VISTA payments, also known as VISTA, are excluded for individuals receiving SNAP benefits at the time they joined VISTA. Americorp\*VISTA payments are countable for individuals who were not authorized to receive SNAP benefits at the time they joined VISTA. Americorp\*VISTA payment should be identifiable as an Americorp\*VISTA stipend.

**NOTE:** An individual is considered to have joined VISTA on the date the individual takes his/her oath of service and is sworn in.

**Example:** A household submits an application for SNAP benefits on January 16th. The household joins VISTA January 17th. The household is interviewed on January 28th and provided all the necessary verification that day. SNAP benefits are approved on January 29th effective January 16th.

The VISTA income is countable earned income because the household was not authorized to receive SNAP benefits by January 17th.

### ATTENDANT CARE PAYMENT

Attendant care payments, paid by an outside source to the attendant care provider for a disabled/elderly household filing unit member, are countable earned income to the attendant care provider; code 'WA'.

Attendant care payments paid from the outside source to the disabled/elderly household member receiving the care are excluded as reimbursements.

The payment is not counted twice.

### BONUS PAY

Bonus pay (e.g., received every Christmas, quarterly, annually, etc.) is countable earned income; code 'WA'.

A clear understanding of how the bonus pay is earned and when it is paid is needed to prospectively budget this income.

### ► CENSUS

Census income is countable earned income; code 'OF' on EAIN.

### COMMISSION

Commission is countable earned income regardless of how often it is paid; code 'WA'.

A clear understanding of how the commission is earned and when it is paid is needed to prospectively budget this income.

### CONTRACTUAL INCOME

Average the income over a 12 month period for a household earning its entire annual income by contract in a period less than one year. These households may include school employees, sharecroppers, farmers, other self-employed households, etc.

**EXCEPTION:** This does not apply to migrant seasonal farm workers. Income received hourly or on a piece work basis is averaged over the period the income is intended to cover.

Section: INCOME

Subject: Earned Income

**DISASTER RELIEF  
EMPLOYMENT**

Disaster relief employment income received from a National Emergency Grant is excluded income. The Department of Labor should be able to verify whether the source of income is from a National Emergency Grant under the Workforce Investment Act (WIA). The source of income must be verified if the individual suffered a job loss or was unemployed due to a recent disaster, if the employment is deemed temporary (less than six months), and if the type of work is disaster related.

**DISLOCATED  
WORKER**

The Dislocated Worker program is funded by WIA (Pages 7-8). Payments received by participants over the age of 19 years old through WIA are countable earned income.

**EXCEPTION:** Payments to an enrolled American Indian, veteran, migrant/seasonal farm worker are excluded; and, payments to dependents under age 19 years old are excluded.

**DISPLACED  
HOMEMAKER**

The State Displaced Homemaker program funded by the state general fund. The income is countable earned income.

**DOMESTIC  
VOLUNTEER  
SERVICE  
ACT INCOME**

The following payments to volunteers are excluded; code 'OX'.

1. Title II Retired Senior Volunteer Program (RSVP); and,
2. Title III Service Corps of Retired Executives (SCORE), Senior Companion Program and Active Corps of Executives (ACE).

**EARNED INCOME  
OF CHILDREN**

Earned income of an individual under age 18 years old **is excluded** through the month of the individual's 18th birthday when:

1. The individual is at least a half-time elementary, high school, or home schooled student; **and**,

**NOTE:** Half-time is defined by the institution or local school system. Semester breaks, summer vacations, etc. do not alter this exclusion providing the student is anticipated to resume enrollment after the break.

2. The individual lives with a natural, adoptive or stepparent or is under parental control of a household member.

Earned income **is countable** for individuals under age 18 years old working, and/or attending high school, and living on their own.

Section: INCOME

Subject: Earned Income

**EARNED INCOME  
OR CHILD TAX  
CREDIT**

Earned Income Tax Credit (EITC) payments and Child Tax Credit received as advance payments or as a refund, are excluded earned income; code 'EI'.



**Example:** A household has gross wages of \$500 every two weeks; \$140 in taxes and a \$40 EITC. Since EITC is excluded as income, the wages are prospectively budgeted using \$460 (\$500 - \$40 = \$460).

**FAMILY  
SUBSISTENCE  
SUPPLEMENTAL  
ALLOWANCE (FSSA)**

A Family Subsistence Supplemental Allowance (FSSA) is paid to certain service members and their families, if determined eligible by the Department of Defense. The amount of FSSA is shown on the member's Leave and Earnings Statement.

FSSA is countable earned income; code 'WA'.

**GARNISHMENTS  
FROM WAGES**

Garnishments deducted from wages for a debt (except for previous advance on wages) are countable earned income; code 'WA'.

**NOTE:** The garnished amount is an allowable expense if garnished due to a legally obligated child support debt.

**GOVERNMENT  
TRAINING  
ALLOWANCES**

The source of funding of the specific government training allowance must be known to determine whether the income is earned or unearned and countable or excluded. The training allowances are excluded if they are a reimbursement.

Training allowances from vocational and rehabilitative programs recognized by federal, state or local governments such as Work Readiness Component (**WoRC**) of TANF and Tribal Work Experience Program (**TWEP**), are countable earned income.

**IN-KIND  
BENEFITS**

In-kind benefits are a gain or benefit that is not in the form of money payable directly to the household, such as meals, clothing, housing, produce from a garden, and vendor payments.

In-kind benefits are excluded; code 'IK'.

**Example:** A household manages a duplex in exchange for rent and utilities. There is no income to count and no shelter deduction allowed.

**IRREGULAR  
INCOME**

Income received too infrequently or irregularly to be reasonably anticipated is excluded earned income IF the infrequent or irregular income of all household members does not exceed \$30 in a quarter.

Section: INCOME

Subject: Earned Income

**JURY DUTY**

Evaluate how individuals on jury duty are compensated to determine whether the jury duty payment is countable or excluded earned income.

When the jury duty is paid over a time period of several days or weeks at a specific amount (e.g., \$15 per day) and can be anticipated, the payment is countable earned income.

Jury duty income is excluded when:

1. The jury duty pay meets the definition of irregular or infrequent income; or,
2. The individual verifies the payment was given to their employer; or,
3. The jury pay is a reimbursement.

**LUMP SUM PAYMENTS**

Nonrecurring lump payments are excluded as income.

Nonrecurring lump sum payments may include:

1. Income tax refund;
2. Rebates or credit refunds; and,
3. Crop insurance proceeds (SNAP 503-1).

**MILITARY BASIC ALLOWANCE FOR HOUSING (BAH)**

The Basic Allowance for Housing (BAH) is one monthly payment, replacing the Variable Housing Allowance (VHA) and Basic Allowance for Quarters (BAQ).

BAH (BAQ or VHA) is countable earned income.

**MILITARY PAY**

Military pay is countable wages if earned; code 'WA'.

**EXCEPTION:** The mandatory salary reduction for military service personnel used to fund the GI Bill is excluded from income.

**MILITARY RE-ENLISTMENT BONUSES**

Military re-enlistment bonuses are paid in one of two ways: a lump sum; or up to 50% of the bonus amount as an initial payment with the remainder of the bonus paid in equal annual payments. It is up to the military service to decide which military grades/series receive re-enlistment bonuses and how much the re-enlistment bonus is. This means the Navy, Marines, Army, and Air Force can have their own policies regarding payment of re-enlistment bonuses. The OPA Case

Section: INCOME

Subject: Earned Income

Manager must verify what the payment policy is depending on the military service.

How the bonus is paid out determines how it is counted:

1. If a household receives a lump-sum re-enlistment bonus, it is exempt from income as a non-recurring lump sum payment. The money is counted as a resource in the month it is received.
2. If a household receives up to half of the bonus pay as an initial payment with the remaining bonus paid in equal annual installments, the bonus is counted as earned income. It is averaged over a 12-month period since the bonus is paid annually.

**Example:** A woman receives \$800 that is half of the bonus amount as an initial payment in June. She receives another \$800 over the next 12 months.

\$1600 divided by 12 months = \$133.33; code 'WA'.

#### **OLDER AMERICANS ACT**

Payments are excluded from programs funded under Title V of the Older Americans Act of 1987 and include:

1. Experience Works Inc., also known as Green Thumb;
2. Forest Service;
3. American Association of Retired People (AARP);
4. National Council on Aging;
5. National Council of Senior Citizens; and,
6. Foster Grandparent Program.

#### **PLAN FOR ACHIEVING SELF-SUPPORT (PASS)**

Money diverted from an individual's income to a PASS account is excluded.

#### **ROYALTY INCOME**

**Definition of Royalties** - royalties include compensation paid to the owner for the use of property usually copyrighted material such as books, music, etc., or natural resources such as, mineral, oil, gravel or timber, etc.

Section: INCOME

Subject: Earned Income

The only earned royalties are derived from a self-employment business enterprise (SNAP 503-1).

Unearned Royalties ( SNAP 501-1).

**SALE OF BLOOD**

Gross income from the sale of blood or blood plasma is countable earned income.

**SEVERANCE PAY/  
SICK LEAVE/  
VACATION PAY**

Sick leave or vacation pay received while still employed is countable earned income; code 'WA'.

Vacation pay received after employment termination is severance pay and considered unearned income (SNAP 501-1).

Sick leave pay received after employment termination is considered unearned income (SNAP 501-1).

**TIPS**

Tips are countable earned income; code 'TI'.

A clear understanding of how tips are earned and paid is needed to prospect this income. Verification varies depending on how the tips are reported, shown on wage stubs, and are paid. Acceptable verification of tips may include: the individual's daily tip log, pay stubs, or an employer statement.

**VENDOR PAYMENT**

An **unearned** vendor payment is money paid directly to the household's creditors, a person, or an organization that provided a service to the household. A vendor payment is made on behalf of the household by a person or organization that is not in the household (SNAP 501-1).

Money legally obligated or payable to the household as earnings but is diverted to a third party for a household expense, is countable earned income.

**Example:** A household member works and is entitled to earnings of \$500. The employer garnishes or diverts \$200 of the earnings to the employee's landlord for rent and pays the employee the remaining \$300. The \$500 is countable earned income; coded 'WA'. The \$200 rent expense diverted by the employer is allowed as a rent expense.

**WAGES FROM  
EMPLOYMENT**

Gross wages are wages before taxes, insurance, etc., are deducted. Gross wages include salary and commission earnings and are countable earned income; code 'WA'.

Section: INCOME

Subject: Earned Income

**WORK STUDY  
INCOME**

Earnings from work study are excluded as educational income. If a student exhausts work study hours and continues working, the income received is no longer considered excluded educational income (coded 'WS' on the EAIN screen), but is countable wages (coded 'WA' on EAIN screen).

**WORKFORCE  
INVESTMENT  
ACT (WIA)**

The Workforce Investment Act (WIA) replaced Job Training Partnership Act (JTPA).

**Work Experience (WEX)** wages paid to the participant by the sponsoring WIA agency are excluded earned income; code 'WX'.

**WIA On-the-Job-Training (OJT)** wages paid to the participant by the employer are earned income.

OJT payments received by participants over the age of 19 years old through WIA are countable earned income.

**EXCEPTION:** OJT payments to an enrolled American Indian, veteran, migrant/seasonal farm worker, and to dependents under age 19 years old are excluded.

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