

114 – INCOME AND BUDGETING

Change #1-2016

March 1, 2016

In addition to meeting the eligibility criteria, a household must also be financially eligible to receive cash assistance. The information in this manual section provides instructions for income that is specific only to the Work First program, clarification of exceptions noted in the Integrated Eligibility Manual (IEM) and supplemental information regarding income and budgeting.

Refer to the Income Section of the Integrated Eligibility Manual, [IEM-4000](#), which provides the following guidance for Work First Family Assistance (WFFA).

1. Types of income and which are countable;
2. Definition of base periods;
3. Required verifications, verification hierarchy and documentation instructions;
4. Determination of gross income;
5. Responding to changes in income; and
6. Income deductions.

I. COUNTABLE INCOME OF HOUSEHOLD MEMBERS

Count the income of the following people if they reside in the applicant/recipient household.

Member	Included Member	Excluded Member: Citizenship/ Immigration Status	Excluded member: SSI Recipient	Excluded Member: Other reasons
Parents (including biological, adoptive, step and emancipated minor parents)	Earned and unearned income	Earned and unearned income	Do not count any of their income	Earned and unearned income.
Children, including minor parents (not emancipated minors) and children subject to the family cap	Child's unearned income. Do not count a child's earned income.	Do not count any of the child's earned or unearned income.	Do not count any of their income.	Exception: Failure to provide/apply for Social Security Number: count the child's unearned income.
Non-Parent Adult caretaker/Spouse of the non-parent adult caretaker	Do not count any of their income.	Do not count any of their income.	Do not count any of their income.	Do not count any of their income.

If there are two distinct assistance units residing in the same location, and there are individuals in either assistance unit who are financially responsible for someone in the other assistance unit, do not count the income from one household unit to another household unit.

II. APPLYING FOR OTHER GOVERNMENT BENEFITS

Based on the interview with the household and/or information gathered from the Online Verification System (OVS), an applicant/recipient may be potentially eligible for other government benefits. Applicants and recipients for Work First cash assistance must apply for other government benefits for which they may be eligible.

- A.** An applicant/recipient is required to apply for Unemployment Insurance Benefits (UIB) when the OVS inquiry reveals the applicant/recipient is "Monetarily Eligible". An applicant/recipient who is employed and earning 20% or less of the potential UIB benefit must apply for UIB within 10 business days of the application/review date. For example, if a person is receiving \$100 per week in UIB, they can earn up to \$20 and still receive UIB.

An applicant/recipient is not required to apply for UIB if the applicant/recipient meets one of the following conditions.

1. Employed full-time as defined by the employer;
2. Registered for and attending school or on vacation during or between successive quarters;
3. Receiving or applying for benefits under any state or federal law based on temporary or permanent total disability;
4. Receiving a government or other pension, retirement, annuity, or other similar periodic payment that is more than the potential monthly UIB benefit;
5. Placed on disciplinary suspension by the employer. The applicant/recipient is considered dismissed from the employment if there is a single disciplinary suspension that lasts more than 10 consecutive calendar days. The applicant/recipient must then apply for UIB; or
6. Unavailable for work due to a medical condition, including childbirth, as verified by a health care provider's statement.

- B.** If an applicant/recipient is potentially eligible for other government benefits, such as Social Security, Veterans, or Supplemental Security Income, the applicant/recipient is required to apply for these benefits.

C. Procedures for Applications and Ongoing Cases

When the case owner determines an applicant/recipient is required to apply for UIB or other government benefits, take the following actions.

1. Notify the applicant/recipient via the DSS-8146A, Notice of Information Needed to Determine Your Eligibility for Work First Family Assistance, of the requirement to apply for UIB or other government benefits.
2. Inform the applicant/recipient that if a disability makes it difficult to apply for these benefits, the agency will assist the applicant/recipient in applying for those benefits as a reasonable accommodation.
3. The case owner should ask families if they need help and document the response and the type of assistance/reasonable accommodation requested, offered and /or provided, if any, in the case record.
4. The case owner must verify the applicant's/recipient's application for UIB by completing an OVS inquiry. Verify the application for other government benefits by contacting the source. If unable to obtain verification from the source, accept the family's statement of application.
5. If the applicant/recipient does not apply for UIB or other government benefits by the deadline date on the DSS-8146A, determine if there is good cause for the failure to do so.
6. If an applicant/recipient is unable to complete the application for reasons related to a disability (such as difficulty with mobility, caring for a household member with a disability, or having a cognitive or learning disability that makes it difficult to read and complete the application), provide additional time to complete the application and provide agency assistance in doing so as a reasonable accommodation.
7. If there is not a determination of good cause for completing the requirement by the established deadline, deny the application.
8. If the family member applies for UIB or other benefits by the deadline set, but has not begun receiving benefits, do not consider as income until the family member actually receives the benefits.
9. Do not delay application processing or applying other changes for an ongoing cases if the only outstanding verification is the amount of the UIB or other benefit. Set a task to review the case for receipt of the benefit(s).
10. If the applicant/recipient has applied for and has already begun receiving the UIB or other government benefit, process the application or apply changes to the ongoing cases. Refer to the IEM for determining the income calculation.

III. THE WORK FIRST PAYMENT CALCULATION

The Work First cash assistance payment is determined by subtracting the household's total countable earned and unearned income from the Need Standard

based on the number in the assistance unit. Subtract the total from the Need Standard for the number in the family unit. The payment is 50% of the difference, unless there is a recoupment and/or sanction. The recoupment amount is subtracted from the payment. The sanction percentage is taken from the payment. The following chart shows the Need standard by the number in the budget/assistance unit.

NEED STANDARD BY NUMBER IN THE BUDGET/ASSISTANCE UNIT							
Number In Budget/Household Unit	1	2	3	4	5	6	7
Need Standard	\$362	\$472	\$544	\$594	\$648	\$698	\$746

Number In Budget/Household Unit	8	9	10	11	12	13	14
Need Standard	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042

For each additional person in the budget unit, \$50.00 is added to the Need Standard.

If the difference is \$.01 to \$24.99, the household is ineligible to receive a Work First cash assistance payment. If a recoupment results in a payment of less than \$25.00, the recoupment amount is recalculated to ensure a \$25.00 payment.

IV. JOB BONUS

The Work First Job Bonus is a fixed payment that assists families as they transition from cash assistance to employment. Job Bonus is limited to once per lifetime for each cash assistance household and individual. It is a \$100.00 payment per month, for a maximum of three consecutive months. It replaces the Work First Family Assistance cash payment.

Each Work First household whose new earned income results in their monetary ineligibility to receive a cash assistance payment may be eligible to receive Job Bonus. The new earnings may be a result of full or part time employment as long as it is new earnings or the employment is considered permanent. If there are increased earnings from existing employment and the household becomes monetarily ineligible; the household may be eligible for Job Bonus.

There is not an established definition for what is considered permanent employment. For example, there are some jobs with temporary agencies that are long term assignments and, therefore, may be considered permanent for purposes of the Job Bonus. It is important that the case owner carefully evaluate the type of employment with temporary agencies as well as other employment situations. Failure to accurately evaluate these criteria may negatively impact the household. Also it is important to ensure fair and equitable standards are applied to all households who are evaluated for Job Bonus.

If the participant's new earnings change before the expiration of the three month Job Bonus period, the participant may reapply for Work First cash assistance. Once a Job Bonus is applied, even if received for less than three months, the household has met their lifetime limit for Job Bonus.

Note: For Work First Benefit (WFB) cases, the Job Bonus payment is not issued until after compliance with the Mutual Responsibility Agreement/ Outcome Plan, unless the case owner determines good cause for the non-compliance.

A. Eligible Households

1. Job Bonus is only offered to households that receive ongoing cash assistance; it is not available to applicant households.
2. Participants are not eligible to receive Job Bonus during a Job Quit penalty period or if the cash assistance case is closed.
3. Job Bonus is offered to the adult members that are included in the budget unit. The budget unit may include financially responsible individuals who are excluded from the assistance unit for failure to meet other eligibility requirements. Because their income is counted in determining eligibility, these individuals may qualify for the Job Bonus.
4. Job Bonus can be received once in the lifetime of a cash assistance case.
5. If the household composition changes, a different household member may be eligible to receive an additional Job Bonus.

Example #1: Parent A, of a two parent household, becomes employed and the increased earnings terminates the household from cash assistance. The household receives the Job Bonus. If Parent B becomes employed, the household is ineligible for an additional Job Bonus because Parent A previously received Job Bonus.

Example #2: Parent B from Example #1 moves into the household of Parent C and their child. Parent C obtains employment and the new earned income terminates the household from cash assistance. Parent C never received Job Bonus; the household is eligible to receive the Job Bonus.

Example #3: Parent B becomes employed while living in the household of Parent C from Example #2. The household is ineligible for Job Bonus. Although Parent C has never received Job Bonus, Parent B previously received Job Bonus.

B. Evaluating for Job Bonus

When the household reports increased earnings or the worker becomes aware of increased earnings, discuss with the household their potential eligibility for Job Bonus. The Work First Family Assistance Job Bonus form, DSS-8222/8222sp is used to notify the household of their potential eligibility for Job Bonus.

1. Increased Earnings Reported Timely

- a. Determine the impact of the increased earnings on the household's cash assistance payment. The case owner may accept the household's statement of the increased earnings pending third party verification. Refer to the [Integrated Eligibility Policy Manual](#) (IEM) for income verification procedures.
 - b. If the increased earnings do not terminate the household from cash assistance, follow the defined procedures for processing changes in income.
 - c. Evaluate the household's eligibility for Job Bonus if the increased earnings will terminate the household from cash assistance.
 - d. If the household is eligible for Job Bonus, send the DSS-8222/8222sp to notify them of their potential eligibility for Job Bonus.
 - e. The DSS 8222/8222sp also serves as the notice of termination for the household and includes Hearing Rights. The recipient must sign and return the form acknowledging they accept or decline the Job Bonus. Maintain a copy of the form for the case file.
 - f. The form must be returned within ten (10) calendar days for the household to be eligible for Job Bonus. The case owner must include the return by date on the form.
 - g. If the change is reported during an office visit and the eligibility for Job Bonus can be determined, provide the DSS-8222/8222sp to the household at that time.
 - h. If the form is not returned by the tenth (10th) calendar day, the household may be terminated without further notice.
 - i. If the form is returned by the tenth (10th) calendar day and the household has chosen to accept the Job Bonus, refer to the Job Bonus Job Aid for processing instructions.
 - j. If the DSS-8222/8222sp is returned by the tenth (10th) calendar day and the household declines the Job Bonus, no further notice is required to terminate the cash assistance case.
 - k. Families that decline the Job Bonus, may be eligible in the future for Job Bonus.
2. Increased Earnings Not Reported Timely
- a. If the household fails to report the increased earnings timely, it is considered non-compliance with the Mutual Responsibility Agreement (MRA). The household is ineligible for Job Bonus and the worker must follow policies related to MRA noncompliance.
 - b. Review the case to determine if there is a potential overpayment. If so, refer the case to the Program Integrity Unit.

3. Evaluating for Job Bonus at the End of a Certification Period

A household may report increased earnings at their Cash Assistance Review or at a time nearing the end of their certification period. Job Bonus is applied to the cash assistance case once in a lifetime for a concurrent period of three (3) months.

- a. The Job Bonus months must occur within the same certification period. It cannot be applied over multiple certification periods. If determined eligible for Job Bonus, the household will receive Job Bonus only for the months remaining in their current certification period.
- b. If eligible for Job Bonus, determine how many months are remaining in the household's current certification period. Provide the household with the DSS-8222/8222sp and explain to the household the abbreviated Job Bonus period.
- c. The household must be informed that any months used for Job Bonus will meet the definition of the lifetime limit. Document that this information was shared with the household.

V. WORK FIRST FAMILY ASSISTANCE REPORTING

The purpose of the Work First Family Assistance Report (Quarterly Report/QR) is to ensure correct benefit issuance and compliance with certain provisions of the Mutual Responsibility Agreement.

A. Selection Criteria

1. The following households are required to complete a Work First Family Assistance Report, DSS-8127, to continue to receive cash assistance.
 - a. Child Only cases with earned and unearned income. If the only household income is Social Security, which is a relatively stable, the household will not receive a Work First Family Assistance Report.
 - b. Families that contain a minor parent or a child 16 years old or older.
2. When a household is newly approved for cash assistance, the DSS-8127 is automatically generated and mailed to the household at the end of their second benefit month. If the household's cash assistance application is approved after the system selection date, the DSS-8127 will auto-generate for the next reporting cycle.
3. A Work First Family Assistance Report is then sent to the household once every three months. The household must return their completed report by the deadline indicated on the quarterly report. The household remains responsible for reporting changes within 10 calendar days of the date the household knows of the change.

The case owner must inform all households required to submit a Work First Family Assistance Report that they have a right to receive assistance with completing the report. The case owner should ask families if they need help and document the response and the type of assistance requested, offered and /or provided, if any, in the case record.

If there is a household member that has as a disability that makes it difficult to read, understand, or complete the Work First Family Assistance Report or remember to submit the report on a timely basis, the household has a right to receive help from the agency in doing so as a reasonable accommodation. To receive a reasonable accommodation, an individual does not need to be receiving or be eligible for SSI or other disability benefits.

Reasonable accommodations also apply to individuals who are caring for disabled household members. The case owner should ask families if they need such help and document the response and the type of accommodation requested, offered and /or provided, if any, in the case record.

B. Returned Work First Family Assistance Reports

The case owner must determine whether the Work First Family Assistance Report is complete. The report is complete when it is signed and all information needed to determine eligibility is recorded. In two-parent cases, one or both parents may sign the report.

1. Complete Work First Family Assistance Report
 - a. Date stamp the Work First Family Assistance Report.
 - b. Maintain the envelope if the report is received after the deadline, and the envelope is postmarked prior to the return deadline.
 - c. Review the report for changes and compliance with the Mutual Responsibility Agreement. If there are no changes, maintain the report in the case record.
 - d. If there are changes, take appropriate case action. Notify other internal program areas, if applicable, of the change via the Income Maintenance Transmittal form, DSS-8194, or other agency approved method.
2. Incomplete Work First Family Assistance Report
 - a. Date stamp the Report and maintain the postmarked envelope for the case record.
 - b. Document the receipt of the Work First Family Assistance in the case notes.
 - c. Circle the incomplete items in red on the DSS-8127 and attach a Notice of Incomplete Work First Family Assistance Report Form, DSS 8137.

- d. Review the case record to determine whether the household indicated a need for help in completing and returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the case owner should provide the help.
- e. If the record contains no indication that the household sought help with completing and submitting the report, or such help was already provided, return the Work First Family Assistance Report along with the DSS-8137 to the household no later than the required deadline.
- f. The household must have 10 calendar days to return the incomplete report prior to the NC FAST termination date for failure to comply with the reporting requirement.

C. Failure to Return the Work First Family Assistance Report

- 1. If the Work First Family Assistance Report is not received by the first deadline, review the case record to determine whether the household indicated a need for help on completing and/or returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the case owner should provide the help.
- 2. If the case record contains no indication that the household sought help with completing and/or submitting the report, or if such help was already provided, no action is necessary. A second Work First Family Assistance Report is system generated along with a Notice of Failure to Return Work First Family Assistance Report and a return envelope stamped "Work First Family Assistance."
- 3. If the Work First Family Assistance Report is not returned by the second deadline or is received incomplete, the case owner should review the case record.
 - a. Determine whether the household indicated a need for help in completing and returning the report, and if so, whether this help was provided. If such help is needed and it was not provided, the worker should provide the help.
 - b. If the record contains no indication that the household sought help with completing and submitting the report, or such help was already provided. The household will receive a system generated notice of termination. Notify the applicable agency programs of the household's termination from cash assistance.

VI. CHILD SUPPORT

Child support is considered unearned income for the dependent child. If child support is received by the household for a child who is not a required household unit member, determine whether it is to the household's advantage to exclude that child from the WFFA assistance unit. (Remember, the income of non-assistance unit members is not countable income).

If a budget unit member is receiving child support for an adult child (over age 18) or who no longer lives in the household, it is countable unearned income to the budget unit member.

Note: If the child is age 18 or older and is a student in high school who is expected to graduate no later than the month of their 19th birthday, budget the child support as unearned income to the child.

VII. CONTRIBUTIONS

If the household's statement and the third contributor's statement disagree on the amount of the contribution, try to resolve the discrepancy using the [DSS- 8176](#), Contribution Form. If the case owner cannot resolve the difference, use the lower amount.

VIII. WORK RELEASE FUNDS

A household may be potentially eligible for Work Release funds if a child in the household is deprived of parental support and care due to the absence of a parent who is in prison. A household member may receive these funds from an inmate who is employed under the Department of Public Safety's Work Release Program.

Budget Work Release funds received by the household as child support income.

If the Department of Public Safety sends a Work Release Action Form, DC-190, to the agency, the county director must designate who is responsible for contacting the inmate's dependents, whether known to the agency or not, to determine their needs.

A. Contact Dependents

1. For this purpose, a dependent is defined as a spouse, child, parents of the inmate, or other relatives for whom the inmate has assumed responsibility in the past. The case owner must also consider any other legal dependents whom the inmate has not acknowledged.
2. Do not consider as dependents a remarried spouse or the parent of the dependent children if the parents were never married.

B. Determine Dependent Needs

1. To accomplish this, add the monthly needs for the number of dependents in the household using the table in E. below plus the dependents' monthly payments on health and life insurance, medical expenses not covered by Medicaid, school lunches, and expenses for college and vocational training courses not met by loans, grants, or scholarships.
2. Disregard all of the dependents' income.

C. Report to the Department of Public Safety

1. Within two weeks of receiving the DC-190, report the dependent information to the Department of Public Safety using the Report on Aid

Needed by Inmate's Dependents (DSS-1664). Attach a copy of any court order for child support concerning the inmate's dependents.

2. If there is no court order for support or if the court order indicates support will be paid through the county, return only the DSS-1664 listing all dependents.
3. If there is a valid court order that indicates a specific amount to be paid for some of the dependents, complete and return two copies of the DSS-1664. (Complete item 4 on the DSS-1664, and attach a copy of the court order.) The Department of Public Safety will pay the specified amount directly to the Clerk of Court. Any remaining monies will be sent to the county for other dependents.

D. Notification to Child Support Enforcement Office

Notify the Child Support Enforcement Office that the household unit is receiving Work Release funds. Any court order for support has to be amended due to Work Release funds. If there is no order for support, the Child Support Enforcement Office may find it appropriate to pursue court action.

E. Needs Chart for Dependents

Use this chart to determine the monthly needs based on the number of dependents.

NEEDS OF DEPENDENTS							
Number of Dependents	1	2	3	4	5	6	7
Monthly Needs	\$362	\$472	\$544	\$594	\$648	\$698	\$746

Number of Dependents	8	9	10	11	12	13	14
Monthly Needs	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042
For each additional dependent, add \$50.							

IX. SPECIAL INSTRUCTIONS FOR BANK ACCOUNTS

Money deposited into a bank account to which the Work First household has access is income in the month it is deposited. Examples include direct deposit of earnings by an employer; direct deposit of Social Security benefits; child support payments deposited by absent parents; etc. Use the policies in IEM-4000 to determine how to count the income just as if it were paid directly to the household.

This includes money deposited into a joint account by a non-household unit member (such as an absent parent), unless there is an explicit agreement specifying how the deposit is to be divided among the individuals who have access to the account. Unless there is documentation of such an agreement, count the full amount deposited as income in the month it is deposited.