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INCOME

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INCOME EXCLUSIONS

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**D. EXCLUSIONS  
INVOLVING  
ASSISTANCE  
PROGRAMS**

The following is a discussion of payments from certain assistance programs and the excludability of the assistance.

**1. Low Income  
Energy  
Assistance**

Through a block grant, the Federal Government provides funds to states for energy assistance (including weatherization) to low income households. The assistance may be provided by a variety of agencies and known by a variety of names. It is most often provided in a medium other than cash but may be in cash.

Home energy assistance payments or allowances provided under subchapter II of chapter 94, title 42 of the U. S. Code are excluded from income and resources.

**2. Home  
Energy  
Assistance  
and Support  
Maintenance**

**Home energy assistance** is any assistance related to meeting the costs of heating or cooling a home. It includes such items as payments for utility service or bulk fuels, assistance in kind such as portable heaters, fans, blankets, storm doors, or other items which help reduce the costs of heating and cooling such as conservation or weatherization materials and services.

Home energy or support and maintenance assistance is excluded from income **and resources** if it is certified in writing by the appropriate State agency to be both based on need and:

- provided **in kind** by a private nonprofit agency; or,
- provided in cash or in kind by a supplier or home heating oil or gas.

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**3. Action Programs/  
Domestic Volunteer**

The Federal government through the ACTION, the Federal domestic volunteer agency, is involved in a number of volunteer service programs including:

- Volunteers in Service to America (VISTA);
- University Year for ACTION (UYA);
- Special and Demonstration Volunteer Programs;
- Retired Senior Volunteer Program (RSVP);
- Foster Grandparent Program;
- Senior Companion Program.

Payments to volunteers under chapter 66 title 42 of the U. S. Code Domestic Volunteer Services (ACTION programs) are excluded from income and resources.

**4. Disaster Assistance-  
Presidentially Declared  
Disaster**

At the request of a State governor, the President may declare a major disaster when the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and local governments, and Federal assistance is needed. Disasters include such things as hurricanes, tornadoes, floods, earthquakes, volcano eruptions, landslides, snowstorms, drought, etc.

Assistance provided to victims of a presidentially-declared disaster includes assistance from:

- Federal programs and agencies;
- joint Federal and State programs;
- State or local government programs;
- private organizations (e.g., the Red Cross).

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The value of support and maintenance in cash or in-kind is excluded from countable income. **If assistance is excluded from income, any unspent assistance is permanently excluded from resources.**

**5. Federal  
Housing  
Assistance**

The Federal Government through the Office of Housing and Urban Development (HUD) and the Farmers Home Administration (FMHA) provides many forms of housing assistance including:

- subsidized housing (e.g., public housing, reduced rent, cash towards utilities, etc.)
- loans for renovations;
- loans for construction, improvement, or replacement of farm homes and other buildings;
- mortgage or investment insurance;
- guaranteed loans and mortgages.

This assistance may be provided directly by the Federal Government or through other entities such as local housing authorities, nonprofit organizations, etc.

The value of any assistance paid with respect to a dwelling unit is excluded from income and resources if paid through HUD or FMHA.

**6. Federal  
Food  
Programs**

The value of food or assistance provided through the following programs is excluded from income and resources:

- Food Stamp Program
- School Lunch Programs
- Child Nutrition Programs
- Nutrition Programs for Older Americans

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- 7. Programs for Older Americans**
- The Federal Government through the Administration on Aging is involved in a variety of programs for older Americans. The programs may be operated by State or local governments or community organizations. Some types of programs are health services, nutrition services, legal assistance and community service department.
- Anything provided under chapter 35 of title 42 of the U. S. Code, Programs for Older Americans, other than a wage or salary is excluded from income.
- 8. Relocation Assistance**
- Relocation assistance is provided to persons displaced by projects which acquire real property. The following types of reimbursement, allowances, and help are provided:
- moving expenses;
  - reimbursement for losses of tangible property;
  - expenses of looking for a business or farm;
  - displacement allowances;
  - amounts required to replace a dwelling which exceed the agency's acquisition cost for the prior dwelling;
  - compensation for increased interest costs and other debt service costs of replacement dwelling (if it is encumbered by a mortgage);
  - expenses for closing costs (but not prepaid expenses) on replacement dwelling (if it is encumbered by a mortgage);
  - rental expenses for displaced tenants;

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- amounts for down payments on replacement housing for tenants who decide to buy;
- mortgage insurance through Federal programs with waiver of requirements of age, physical condition, personal characteristics, etc., which borrowers must usually meet; and
- direct provision of replacement housing (as a last resort).

Relocation assistance provided by Federal, State or local funds to persons displaced by any Federal, State or local project is excluded from income. **Unspent payments are excluded from resources for 9 months following the month or receipt.**

**9. Victims'  
Compensation  
Payments**

Effective May 1, 1991, any payment received from a fund established by a State to aid victims of crime is excluded from income. **Unspent payments are excluded from resources for 9 months following the month of receipt.**

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**10. Job Training Partnership Act**

The purpose of the Job Training Partnership Act (JTPA) is to prepare individuals for entry into the labor force. JTPA funding is much like a block grant and programs will vary among States and among areas within States. JTPA payments may be called "needs-based" for JTPA purposes but are not "income based on need" or "assistance based on need" for SSI/Medicaid purposes. JTPA payments may be in cash or in kind, and participants in JTPA may receive supportive services in cash or in kind. Usually, adult participants receive only supportive services.

JTPA payments are subject to the general rules pertaining to income and income exclusions.

- Assume that supportive services such as child care, transportation, medical care, meals, and other reasonable expenses, provided in cash or in kind, are social services and not income.
- Items such as salaries, stipends, incentive payments, etc., must be evaluated under the general rules of unearned and earned income.

**11. AmeriCorps & National Civilian Community Corps**

Part of AmeriCorps, the new National Civilian Community Corps (NCCC) was created in 1993 as a residential service program for young adults between the ages of 18 and 24 in which participants provide work teams for a variety of community service projects.

Participants of AmeriCorps and NCCC receive a stipend or living allowance generally based on minimum wage requirements. Participants also are eligible to receive an educational award made after the completion of a specified term of service. The educational award is for educational assistance only and must be applied to college tuition, vocational training or outstanding college loans. The educational award must be paid by AmeriCorps or NCCC directly to an educational institution or to a loan-holder for repayment of a student educational loan.

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Instead of an educational award, AmeriCorps and NCCC participants may, with the approval of the director of CNCS, receive an alternative benefit. The alternative payment for NCCC members is equal to one-half the amount of any educational award and is paid directly to the participant.

The treatment of payments made under AmeriCorps and NCCC is determined by the type of payment.

Stipends or living allowance payments are wages and are subject to the general rules regarding wages and earned income exclusions.

Any food or shelter received by participants is not wages, but is unearned income in the form of in-kind support and maintenance (ISM) subject to the presumed maximum value (PMV), if appropriate.

Any clothing allowance payments are unearned income and subject to the general rules regarding unearned income and exclusions.

Participants are considered to be living in their own household. Temporary absence rules do not apply for living arrangement purposes.

Educational awards are wages when credited to the educational institution or loan-holder for repayment of a student educational loan, and subject to the general rules regarding wages and earned income exclusions.

Any payments made as an alternative to educational awards are wages and are subject to the general rules regarding wages and earned income exclusions.

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**12. Dividends,  
Interest  
Royalties**

Effective 07-01-99, up to \$5.00 per month is excluded from countable income. The \$5.00 exclusion includes either dividends interest, royalties or a combination of the three income types. Not more than \$5.00 can be excluded per person.

Effective 8-1-2004, all interest and dividend income earned on countable resources are to be excluded from an individual's income. Total gross income is counted in determining eligibility for LTC in a facility; however, this exclusion will be used in calculating Medicaid Income. This exclusion does not eliminate the exclusion of \$5.00 per month per person for interest, dividends and royalties.