ORANGE COUNTY SOCIAL SERVICES AGENCY

GENERAL RELIEF REGULATIONS MANUAL

EFFECTIVE: November 2012

SECTION 70: INCOME

.1 DEFINITION

Income is any benefit in cash or in-kind received by the GR-EU, including but not limited to work or business activities, ownership in real property, a contribution from persons or organizations, pensions/retirement, interest or dividends.

All income of the EU shall be considered in determining financial eligibility to GR assistance. Income and resources that are currently available to an EU shall be taken into consideration in determining the amount of the assistance grant.

Potential income and resources shall be explored and developed so that they can be made available to meet the needs of the EU. Failure of an EU to apply for any aid or income or to file for any property to which they appear eligible results in ineligibility.

People living together as an EU are considered together in determining eligibility and grant. See Section 20.4.

.2 TYPES OF INCOME

.a Current income is the income which is received in the current month regardless of the period over which it is accrued. Monies which are received or anticipated to be received during the calendar month are considered currently available income.

(1) Monies that are legally obligated and otherwise directly payable to an individual, but which are diverted to a third party, shall be counted as income as if it were paid to the individual.

(2) Income which is received on a regular and ongoing monthly basis is considered income in the month for which it is intended. For example, Social Security benefits due on Sunday, 10/1 are mailed to be received Saturday, 9/30 and will be considered income in October.

.b Earned income is all wages and salaries received by an employee, including gross income from a self-employment enterprise and/or the total gain from the sale of any capital goods or equipment related to the business, excluding the verified costs of doing business.

.c Educational grants and loans are prorated over the period they are intended to cover. Verified mandatory school fees are deducted per Agency procedures.

.d Energy Assistance payments are not considered income.

.e Excess Component Value (EVC) is deducted in accordance with Agency policy and procedure when a component of the GR grant is provided to the EU free or at a cost which is less than the assigned component value. See Section 80.4.

.f Grants or gifts from individuals or assistance agencies must be evaluated as to amount and purpose. Those contributions which are designated to meet all or a portion of the GR component shall be counted as income.

.g Liquid resources in excess of $50 shall be considered income. See Section 60.2.a. A period of ineligibility will be computed when the amount of liquid resources exceeds the monthly maximum aid payment for the EU size. See section 70.2.r.

.h Loans which are available to pay for current GR component items are treated as income. Loans which are specified for a purpose other than current GR components are exempt from consideration as income when it is verified the monies are spent for that purpose. The terms of the loan, the purpose and the plan of repayment must be specified in a written agreement between borrower and lender.

.i Lump sum payments received before the month of application are considered property; any balance remaining is treated as a liquid resource. Lump sum payments received in the month of GR application or during an aided period are considered income. Examples include OASDI payments, other social insurance awards, insurance settlements, income tax refunds, earned income credits, retirement benefits, etc. Receipt of lump sum income shall make the EU ineligible for the length of time the income will support the EU on the current GR standard. See section 70.2.r.

.j Reimbursements received are not considered income to the EU to the extent that they do not exceed the costs incurred.

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.k Rental income is money received as a result of ownership in secondary real property. Net income is the amount remaining after deducting taxes, interest, upkeep, assessments and insurance premiums. Principal payments on encumbrances are not deducted in determining net income.

.l Retirement funds, including money in Individual Retirement Accounts and Keoghs, shall be considered potentially available income. EUs are required to apply for withdrawal of such funds. When received, the funds will be treated as lump sum payments per sections 70.2.i and 70.2.r. Failure to apply for these funds shall result in ineligibility to receive GR.

.m Ten percent (10%) of roomer/boarder payments shall be considered income.

.n Roomers: The EU's share of rent shall be the full rent amount less all payments received from roomers.

.o Net earned income is determined by deducting the following verified expenses/deductions from the gross earnings:

(1) Actual mandatory deductions - federal tax, state tax, Federal Insurance Contributions Act (FICA), State Disability Insurance (SDI) and retirement. When it can be determined that mandatory taxes will be deducted but the actual amounts are not available, 20% of gross earnings may be deducted.

(2) Actual cost of child care incurred limited by the current CalFresh maximum except that no deduction is allowed if the other parent or adult is in the home who is not employed and does not participate in the GRWP.

(3) Transportation costs to and from employment as follows:

(a) 15¢/mile, less verified charge to riders, if client is the driver of the vehicle, or

(b) 8¢/mile, or actual cost, whichever is less, if client is a rider, or

(c) actual, verified cost of a bus pass, or

(d) actual, verified cost of employer provided transportation, or

(e) actual, verified cost of special transportation required by a verified disability.

.p Net unearned income is determined by deducting the following verified expenses/deductions from the gross unearned income:

(1) Medical insurance payments.

(2) Court ordered child or spousal support verified as paid.

(3) Actual mandatory deductions - federal tax, state tax, FICA, SDI and retirement.

.q In determining net income, no deduction shall be allowed from earned or unearned income for a reduction due to fines or other obligations. Court ordered child or spousal support may be deducted when both the court order and actual payment are verified.

.r The period of ineligibility for liquid resources or a lump sum is determined by deducting any debts which have been verified as paid and by dividing the balance by the current GR maximum aid payment for the EU.

The period of ineligibility may be shortened when it is verified that all or part of the liquid resources or lump sum has been used to purchase items or services to meet medical, shelter, clothing and/or food needs which could not be otherwise provided or reimbursed.

.3 DEEMED INCOME

.a The net income of all members of the EU will be included in determining the financial eligibility of the EU except that income of recipients of other cash public assistance programs is not considered per Section 80.4. In accordance with the W & I Code, Division 9, Part 6, Chapter 10, Section 18908 and Food Stamp Regulations, Section 63-201, CalFresh allotments are not considered income and will not be used to reduce grants, even if received in cash from another jurisdiction.

.b The income of the sponsor and sponsor's spouse shall be deemed to the sponsored non-citizen for the period of time in which the sponsor has agreed, in writing, to provide for the non-citizen in accordance with agency procedures. Deeming shall not apply to a sponsored non-citizen whose sponsor has abandoned his or her duty to support. See sections 50.3 and 60.3.

.4 VERIFICATION OF INCOME

The ET shall review with the client the financial circumstances of the EU to determine and verify what income is actually being received and to identify potential income.

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Evidence is required which establishes the gross and net amount of income and the time and frequency of receipt. Documents and evidence in the EU's possession constitute adequate sources of evidence in the absence of conflicts. The EU is the primary source of information and is responsible for providing verification of income. Other sources of evidence should be pursued only when the EU does not have the necessary evidence and is unable to locate same.

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