Nevadaworks
WIOA DETERMINATION AND VERIFICATION OF INCOME ELIGIBILITY

Determining gross family income is one of the most difficult tasks when determining an individual's eligibility for WIOA. Family income is based on the income in the household of anyone related by blood, marriage or adoption. Family income includes total annual cash receipts before taxes from all sources, with the exceptions listed below.

References:
SCP 2.1; TEGL 19-6; TAG 14-1.

INCLUDED AS INCOME

1. Net receipts from non-farm self-employment after deductions for business expenses. If the business or enterprise has suffered a loss, this loss will be allowed to offset wage earnings
2. Net receipts from farm income after deductions for farm operating expenses. Money received under the Agricultural Crop Stabilization Program is considered income. If the farm suffered a loss, this loss will be allowed to offset wage earnings
3. Net rents
4. Net royalties
5. Gross wages or salary, severance and vacation pay
6. Alimony
7. Governmental (including military) and non-governmental pensions
8. Railroad retirement benefits
9. Dividends and Interest income
10. Strike benefits from union funds
11. Worker's compensation
12. Training stipends
13. Regular insurance or annuity payments
14. Periodic receipts from estates and trusts
15. WIOA OJT and Title V Older Americans Program earnings
16. Net gambling or lottery winnings

17. Social Security Disability Insurance (SSDI) pays benefits to you and certain members of your family if you are 'insured' meaning that you worked long enough and paid Social Security taxes

18. College or university scholarships, grants (excluding Pell grants), fellowships, and assistantships.

19. Military family allotments or other regular support from an absent family member or someone not living in the household; (except for military payments indicated below which are excluded from family income calculations)

20. Unemployment compensation

21. Child support payments

22. Social Security retirement and survivors' insurance benefits, (Old-Age Survivors Insurance benefits, (OASI))

EXCLUSIONS FROM INCOME

1. Military pay or allowances by any person who served on active duty (181 days or more active duty other than those whose service time was limited by discharge due to disability). See Title 38 for the following:

    A. Compensation for Service-Connected Disability or Death
    B. Dependency and indemnity compensation for service-connected deaths
    C. All-volunteer force educational assistance program
    D. Training and rehabilitation for Veterans with service-connected disabilities
    E. Survivors' and dependents' educational assistance
    F. Educational benefits

2. Federal non-cash benefits such as Medicare, Medicaid, food stamps, school lunches and housing assistance

3. Capital gains and losses

4. Assets drawn down as withdrawals from a bank

5. Public Assistance payments: payments received under TANF (Temporary Assistance to Needy Families), Supplemental Security Income, General Assistance, Refugee Cash Assistance

6. The sale of property, house or an automobile

7. Tax refunds

8. One-time gifts

9. Loans

10. Lump-sum inheritances

11. One-time insurance payments or compensation for injury

12. Cash value of employer-paid or union-paid portion of health insurance or other employee fringe benefit
13. Cash value of food or housing received in lieu of wages
14. Cash value of food and fuel produced and consumed on farms
15. Imputed value of rent from owner-occupied non-farm or farm housing
16. Payments received under the Trade Readjustment Act of 1974
17. Black lung payments received under the Benefits Reform Act of 1977
18. Needs-based scholarship assistance
19. Financial assistance under Title IV of the Higher Education Act, i.e. PELL Grants, BEOG Grants, Federal Supplemental Education Opportunity Grants and Federal Work Study, PLUS Stafford, and Perkins loans like any other kind of loan are debt and not income
20. Terminal leave pay: Severance pay or a cash out of accrued vacation leave
21. Stipends received in the following programs: VISTA, Peace Corps, Foster Grandparents Program, Retired Senior Volunteer Program, Youth Works/AmeriCorps Program
22. Foster care payments

METHODS FOR CALCULATING ANNUALIZED INCOME

When calculating income, use any one of the following methods as appropriate. The examples are illustrative only and as many pay stubs as possible should be obtained.

STRAIGHT PAY OR SALARY METHOD

Under the Straight Pay Method, the participant supplies a sample of pay stubs covering the most recent six months of family income. Upon reviewing the pay stubs, the intake worker determines that the wage information on the pay stubs is the same. There is no variation in the wages for any of the pay stubs submitted for the income verification.

The intake worker will calculate the income based upon the wages indicated on one of the pay stubs, since there are no variations in the gross income on the pay stubs. Based upon the length of the pay period represented by the pay stubs, (usually weekly, bi-weekly or monthly) the gross income is multiplied by the number of pay periods in a year. That is, 52 x gross wages, 26 x gross wages, or 12 x gross wages respectively. The result will be the annualized income used to determine eligibility.

EXAMPLE:

Five (5) pay stubs are provided indicating gross wages of $548.00 each. The pay stubs are sporadic and cover a period of 3 months. The pay frequency is bi-weekly. An intake worker would multiply the gross wages indicated on the pay stub by the frequency occurrence.

26 x $548.00 = $14,248.00

AVERAGE PAY METHOD

Under the Average Pay Method, a sample of six pay stubs are submitted which show variations in the gross earnings. The variations may result from overtime, lost time or work for different employers.

In calculating the annualized income, the intake worker must determine the average gross earnings based upon the number of pay stubs provided. To determine the average gross earnings, the intake worker must total the gross earnings of all the pay stubs provided and divide the results by the number of pay stubs. The result will be the average gross earnings per pay period. After determining average gross earnings, the intake worker will then determine the pay frequency and multiply the gross earnings by the number of pay periods in a year.

EXAMPLE:

Participant provides intake worker with six (6) pay stubs with gross earnings of; $534.00, $475.00, $398.00, $534.00, $498.00 and $534.00. The pay frequency is weekly. The intake worker should do the following:

Add: $534.00 + $475.00 + $398.00 + $534.00 + $498.00 + $534.00 = $2,973.00
Divide: $2,973 by 6 = $495.50 = Average gross earnings
Multiply: $495.50 x 52 = $25,766.00 = Annualized gross income

YEAR-TO-DATE METHOD

Under the Year-To-Date Method of calculating annualized gross income, the participant provides recent pay stubs with cumulative year-to-date gross earnings indicated on the pay stub. The cumulative year-to-date gross earnings indicate the gross earnings up to the date of the pay period ending date on the pay stub. To compute the annualized income, the intake worker counts the number of pays that have occurred since January 1st and divides the number into the gross year to-date earnings indicated on the pay stub. After this computation, the steps are the same as for the average pay method. The result of this computation (average gross income per pay period) is then multiplied by the number of pay periods in a year to determine the annualized gross earnings.

EXAMPLE:

Participant provides the intake worker with a recent pay stub whose gross year-to-date earnings are $13,756.00. The pay period ended September 30, 2009. The pay frequency is bi-weekly. Upon counting the number of pays that have occurred since January 1, 2009, the intake worker has determined that the participant has been paid 19 times. Calculation of the gross annualized income would be done as follows:

Divide: $13,756.00 by 19 weekly pays = $724.00
Multiply: $724.00 x 26 - $18,824.00 (based upon bi-weekly pay frequency 26 pays per year)

or

Divide: $13,756 by 38 weekly pays = $362.00
Multiply: $362.00 by 52 = $18,824 (based upon bi-weekly pay frequency 26 pays per year)

INTERMITTENT WORK METHOD

When an applicant has not had steady work with one or more employers, she/he should supply as many pay stubs as possible and complete an Applicant Statement explaining all missing pay stubs and non-work periods during the last six months. In such cases, the intake worker should total all wages for the six-month period and multiply the result by two to annualize the wage income.

If the applicant reports little or no includable incomes, as shown above, she/he should indicate other resources relied upon for life support during the last six months on the Applicant Statement. Such resources may include such things as unpaid debts, gifts, loans, unemployment compensation, etc.