

Definition of Income Guidance

for 2016-2017 ERSEA process

Purpose

This document provides the federal and state definitions of what counts as income for the purpose of Early Learning Program eligibility.

Guidance

Income includes the following types of money received:

- Gross income includes money, wages and salaries before any deductions, including earned income and military income.
- Net income (also known as Adjusted Gross Income or income after taxes and deductions) for those self-employed found on tax forms.
- Net income from farm self-employment (receipts from a farm which one operates as an owner, renter or sharecropper, after deduction for farm operating expenses).
- Net income for non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise or partnership, after deductions for business expenses).
- Regular cash benefits to adults or children counted in the family size, such as TANF grants including "Non-Needy Relative" or "In Loco Parentis" or "Legal Guardianship" grants, Emergency Assistance, veterans' benefits (except disabled children of Vietnam veterans), DSHS foster care.
- Regular cash benefits/payments from Social Security, railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veterans payments, Supplemental Security Income, Emergency Assistance money payments, and non-Federally funded General Assistance or General Relief money payment) and training stipends.
- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
- Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
- Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
- **HS/EHS only:** College or university scholarships, grants, fellowships, and assistantships.

Income does not include the following types of money received:

- Capital gains.
- Any proceeds/assets from the sale of property, house or a car.
- Tax refund.
- Gifts or loans.
- Lump-sum inheritances.
- One time insurance payments or compensation for injury.
- Non-cash benefits such as the employer paid or union paid portion of health insurance or other employee fringe benefits.
- Food or housing received in lieu of wages.
- The value of food and fuel produced and consumed on farms.
- The imputed value of rent from owner occupied non-farm or farm housing.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches, and housing assistance.
- **ECEAP only:** college or university scholarships, grants, fellowships, and assistantships.
- **ECEAP only:** subtract from income the documented child support payments to another household, only if required by a legally binding child support order.