

**Chapter 4: Youth
Income Eligibility**

Issue Date

Effective Date:

April 1, 2000

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Required Action

Action: In determining eligibility for the Regular WIA youth program, WSAs and youth service providers will use the definitions of economically disadvantaged, family, and family income outlined below.

Who: All WSAs and youth service providers in the State of Minnesota who are responsible for performing eligibility determination.

Background: Eligibility for the Regular WIA youth program depends in part on the individual being determined to be economically disadvantaged. WSAs will use the following general definitions, inclusions and exclusions when determining income eligibility.

Policies and Procedures:

Under WIA, the term “economically disadvantaged” means an individual who meets one or more of the following criteria:

- Receives, or is a member of a family which receives, cash welfare payments under a Federal, State, or local welfare program;
- Has, or is a member of a family which has, received a total family income for the six month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and Old Age and Survivors Insurance benefits received from Social Security) which, in relation to family size, was not in excess of the higher of:
 - The official poverty level, for an equivalent period; or
 - 70 percent of the lower living standard income level;
- Is receiving (or has been determined within the six month period prior to the application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977;
- Qualifies as a homeless individual under subsections (a) and (c) of Section 103 of the Stewart B. McKinney Homeless Assistance Act;
- Is a foster child on behalf of whom State or local government payments are made; or
- Is an individual with a physical, mental, or emotional disability whose own income meets the requirements of (1) or (2) above, but who is a member of a family whose income does not meet such requirements.

Note: Eligibility under the National School Lunch Program is not a substitute for income eligibility under the Regular WIA Youth Program (see Eligibility Handbook).

Family

As defined in WIA, a family means two or more persons related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:

- A husband, wife, and dependent children;
- A parent or guardian and dependent children;
- A husband and wife.

The phrase “living in a single residence” with other family members includes temporary, voluntary residence elsewhere (e.g. attending school or college, or visiting relatives). It does not include involuntary temporary residence elsewhere (e.g. incarceration or placement as a result of a court order).

In determining whether an individual without a disability can be considered to be a family unit of one, consideration is to be given to the following situations:

- An individual 14 years of age or older, not living with his/her family, and receiving less than 50 percent maintenance from the family in a six month period previous to program application;
- An individual 18 years of age or older living with his/her family who received less than 50 percent maintenance from the family in the six month period previous to program application and is not the principal earner nor the spouse of the principal earner.

Family Income/Family Size

Family income is the income received from included sources of income of all members of the “**family**” as defined above. Family income means income as defined by the Department of Health and Human Services in connection with the annual poverty guidelines with the exceptions noted below. Self-employment income is to be determined on the basis of the most recently submitted federal income tax return or on the basis of annualized proceeds posted in more up-to-date acceptable accounting records. All other income is to be annualized based on receipts during the past six months.

Family size shall be the maximum number of family members during the income determination period. For a separated or divorced applicant, income shall be prorated depending on the length of time during the last six months the applicant lived with the other wage earner.

Inclusions in Family Income:

- Gross wages and salaries before deductions: Total money earnings received from work performed as an employee. If a family’s only source of income was from wages and salary payments, family income would be equal to gross wages and salary received.
- Income from non-farm self-employment: Net income (gross receipts minus operating expenses) from a person’s own unincorporated business or other non-farm enterprise in which a person is engaged on his/her own account. If the

business or enterprise has suffered a loss, this loss will be allowed to offset wage earnings.

- Income from farm self-employment: Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses). If the farm has suffered a loss, this loss will be allowed to offset wage earnings. Money received under the Agricultural Crop Stabilization Program is considered income.

- Money received from such sources as:
 - net rents;
 - governmental and non-governmental pensions (including military retirement pay);
 - Social Security Disability Insurance (SSDI) payments (Title II of the Social Security Act, Federal Old Age, Survivors and Disability Insurance);
 - Regular payments from Old Age, Survivors and Disability Insurance (OASI) benefits received under Section 202 of the Social Security Act;
 - railroad retirement benefits;
 - strike benefits from union funds;
 - workers' compensation;
 - training stipends;
 - alimony;
 - military family allotments or other regular support from an absent family member or someone not living in the household; (except child support payments and military payments indicated below which are excluded from family income calculations);
 - regular insurance or annuity payments;
 - college or university scholarships, grants (excluding Pell Grants), fellowships, and assistantship;
 - dividends and interest;
 - net royalties;
 - periodic receipts from estates or trusts; and
 - net gambling or lottery winnings.

Exclusions in Family Income:

- Non-cash benefits such as: employer-paid or union paid portion of fringe benefits, food or housing received in lieu of wages, Medicare, Medicaid, food support, school lunches, and housing assistance;
- HUD rental assistance subsidies;
- Needs-based scholarship assistance;
- Financial assistance under Title IV of the Higher Education Act (Pell Grants, Federal Supplemental Educational Opportunity Grants and Federal Work-Study, PLUS, Stafford and/or Perkins loans) are considered to be “debt” and not “income;”
- Capital gains and losses;
- Assets drawn down as withdrawals from a bank;
- State and federal Unemployment Compensation;
- Cash welfare payments under a Federal, State or local income-based public assistance program; Payments received under Minnesota Family Investment

Program (MFIP), Supplemental Security Income Insurance, Title XVI of the Social Security Act for the Aged, Blind and Disabled, Emergency assistance money payments, General Assistance/Work Readiness, Refugee Cash Assistance;

- Child support payments;
- Cash payments under Title V of the Older Americans Act;
- Job Corps payments;
- The sale of property, house, or an automobile;
- Tax refunds;
- One-time gifts;
- Loans;
- Lump-sum inheritances;
- One-time insurance payments, or compensation for injury;
- IRA withdrawals;
- Cash value of food and fuel produced and consumed on farms;
- Imputed value of rent from owner-occupied non-farm or farm housing;
- Income earned by any person while serving on active duty and certain other veterans' benefits (i.e. compensation for service-connected disability, family compensation for service-connected death, vocational rehabilitation, and education assistance);
- Payments received under the Trade Readjustment Act of 1974;
- Black lung payments received under the Benefits Reform Act of 1977;
- Terminal leave pay; severance pay or a cash out of accrued vacation time;
- Stipends received in the following programs; VISTA, Peace Corps, Foster Grandparent Program, Retired Senior Volunteer Program, YouthWorks/AmeriCorps Program;
- Allowances, earnings, and payments made to individuals participating in WIA programs or any other workforce development program for which eligibility is based upon a needs and/or income test;
- Payments made by the State and/or local on behalf of a foster child.

Reference Section:

Cites/References:

The Workforce Investment Act of 1998, Public Law 105-220, Title I, Subtitle B, section 101(37); Final Rules published in the August 11, 2000 Federal Register, Code of Federal Regulations 20 CFR 663.640 (revised May 25, 2006), and the Eligibility Handbook (see:

http://www.positivelyminnesota.com/All_Programs_Services/Office_of_Youth_Development/Administrative_Policy_Information/Eligibility_Hbook.aspx).

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Youth website:

http://www.positivelyminnesota.com/All_Programs_Services/Office_of_Youth_Development