

Texas Department of Housing and Community Affairs
Frequently Asked Questions - Income
Applicable for CEAP, CSBG, and WAP Programs
(Updated April 29, 2020)

The Texas Department of Housing and Community Affairs (The Department) has created the following document to assist its Subrecipients to answer applicable program questions. The document contains answers to the questions the Department has received that are relevant to the network. In addition to this document, Subrecipients are encouraged to take the following steps to respond to their questions:

- Review applicable program contract(s) and the Department guidance on TDHCA Website
- References TAC Rules and other program rules/guidelines (OMBs, CFRs, UGMS, TAC, etc.)

If after reading and referencing all these materials you still have questions, you may submit a program question by completing this form: <https://tdhca.wufoo.com/forms/request-for-ca-program-assistance/>

Click the hyperlinks below to move to the most appropriate category that applies to your question.

Contents

A. GENERAL:	2
B. DECLARATION OF INCOME STATEMENT:	2
C. INCOME DETERMINATION PROCESS:.....	2
D. INCOME or NOT INCOME?	5
E. CATEGORICAL ELIGIBILITY	7
F. MEANS TESTED VETERANS PROGRAM	8

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

A. GENERAL:

1) What are the new income guideline limits for our programs?

Subrecipients should always use the most current income limits; the limits are updated annually. The new income limits are posted on the Department's website, on the program guidance pages for each program with the new income guidelines effective date.

2) How is "current circumstances" being defined?

In the context of §6.4(g)(1), "current circumstances" means within the last thirty days.

B. DECLARATION OF INCOME STATEMENT:

1) Is the DIS still required to be notarized?

Only DOE contracts require a notarized DIS.

2) Can the applicant fill out the DIS and sign for all members of the household? What if the client receives no income? What form do we use to verify "no income"?

Yes, the applicant may complete the DIS for all household members 18 years of age or older, including those who have no obtainable documentation of income. Subrecipient should utilize the DIS instructions to complete the form.

3) Do DIS forms need to be originals?

No, the DIS does not need to be an original. A faxed or scanned copy is acceptable, as long as it is completely filled out.

C. INCOME DETERMINATION PROCESS:

1) Is income counted from date of application or prior to?

Per TAC Rule §6.4(e) "annualize the Household income based on verifiable documentation of income, within 30 days of the application date."

2) We are having some difficulty with the various types of food stamp award letters that our clients are providing. Some of the types of letters have the recertification dates, while others do not thus making it difficult to determine if this is the most recent award letter. Additionally, most of the letters we receive make it difficult to decipher whether or not the client received food stamps during the 30 days prior to them applying.

Food stamps are excluded income. If the client provides this information during the application process, Subrecipients should note receipt of this benefit in the client file, but it is not needed to determine eligibility and it is not required to be kept in the file.

3) How do we deal with utility allowances? Do we subtract that amount from the CEAP utility assistance amount?

No, clients who receive a regular utility allowance are not actually receiving any money for utilities; there is no money changing hands. As a result of that, Subrecipients should not treat customers who have a utility allowance any different than a customer who does not receive a utility allowance; there is no special consideration or additional mathematical determination that needs to be done to adjust for the utility allowance. Clients receiving utility allowances should be treated and benefits determined following the same general CEAP process.

Here is some information on [utility allowance provided from HUD's website](#): *"To keep assisted housing affordable for lower-income households, federal housing law directs that the resident's share of rent in federally assisted public housing should equal 30 percent of the household's adjusted monthly*

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

income. In interpreting the federal housing law, HUD has defined the Total Resident Payment for "rent" to include both shelter and the costs for reasonable amounts of utilities. The amount that a PHA determines is necessary to cover the resident's reasonable utility costs is the utility allowance."

4) What about utility reimbursement checks that are made out to the client? Do we count the reimbursement check as income?

Yes, if the household receives a monthly utility reimbursement check, count this federal refund as income.

5) We understand that a Medicare medical insurance deduction is considered excluded, however, we are uncertain if a Medicare prescription drug plan deduction is also considered excluded income?

Yes, the Medicare prescription drug plan deduction should also be excluded.

6) Based on the excluded list, it appears that we should use the net amount of social security (after Medicare deduction) and not the gross amount (prior to Medicare deduction), is that correct?

Yes, in general; however, if the gross amount is \$500 and the Medicare deduction is \$50, the income is \$450. There may be other amounts that are deducted from a client's social security check that are not treated in the same manner.

7) When we were using this process in past we always had questions about what to do with people that don't work regular 20, 30, or 40 hr. weeks. They work as needed. They may work 10 hrs. one week and 40 the next. For persons with no regularly scheduled work weeks, can we continue to collect the most recent 30 days income and call it monthly and multiply by 12? Or should we average what they worked and come up with average weekly hrs. and project forward?

Collect verifiable documentation of all income received in the last thirty days, then follow this process: (1) calculate the income received in total in the last thirty days; (2) divide that total by the number of applicable pay periods in the last thirty days; (3) apply the appropriate multiplier to annualize the income. Subrecipients will incorporate the appropriate multiplier to annualize the income:

- If they are paid weekly, multiply by 52;
- If they are paid every other week, multiply by 26;
- If they are paid twice each month, multiply by 24;
- If they are paid monthly, multiply by 12.

8) Can you provide some examples for calculating income for clients with different pay periods?

The process to calculate is identified in the previous question, but yes, here are some examples:

EXAMPLE 1: Weekly Pay

Client Jones started a job and is paid weekly. Jones came in on 12/17 with pay stubs for all four pay periods applicable within the last thirty days. Find the average of the pay stubs collected within the last 30 days, and then multiply by 52 to annualize the income.

Pay Stub 1	Pay Stub 2	Pay Stub 3	Pay Stub 4
11/21: \$300	11/28: \$200	12/5: \$300	12/12: \$400

$(\$300 + \$200 + \$300 + \$400) / 4 = \$300 / \text{wk.} \times 52 = \$15,600$ annual income.

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

EXAMPLE 2: Weekly Pay

Client Jones started a job and is paid weekly. Jones came in on 8/1 with pay stubs for all five pay periods applicable within the last thirty days. Find the average of the pay stubs collected within the last 30 days, and then multiply by 52 to annualize the income.

Pay Stub 1	Pay Stub 2	Pay Stub 3	Pay Stub 4	Pay Stub 5
7/3: \$300	7/10: \$200	7/17: \$300	7/24: \$400	7/31: \$400

$(\$300+200 + \$300 + \$400 + \$400)/5 = \$320/\text{wk.} \times 52 = \$16,640$ annual income.

EXAMPLE 3: Semi-Monthly Pay

Client Jones is employed and is paid semi-monthly (twice a month). Jones came in on 12/17 with a pay stub for both pay periods applicable within the last thirty days. Find the average of the pay stubs collected within the last 30 days and multiply by 24 to annualize the income.

Pay Stub 1	Pay Stub 2
11/28: \$500	12/12: \$400

$(500+400)/2 = \$450/\text{wk.} \times 24 = \$10,800$ annual income.

EXAMPLE 4: Hourly Pay

Client Jones has a job and is paid hourly. He gets paid \$11.25/hr., work 40 hours/week, with no indication of overtime hours/pay in the pay stubs provided that were received in the last 30 days. Multiply the hourly wage times the number of hours expected to work this year = 2,080hrs (52 weeks X 40hrs/wk.) to annualize the income.

$\$11.25 \times 2,080 = \$23,400$ annual income.

9) How do we calculate income that is not expected to last a full 12 months?

Per TAC Rule § 6.4(g)(1) “unless it can be documented that employment is less than 12 months/year and pay is not prorated over the entire 12 month period. For incomes not able to be annualized over a 12 month period, the income shall be calculated on the total annual earning period (e.g., for a teacher paid only nine months a year, the annual income should be the income earned during those nine months).

EXAMPLE: 9 Months of Work

Client Jones has documentation that he works as a contracted school bus driver for 9 months of the year. He is paid bi-weekly and has two pay stubs for the past 30 days. The first is \$600 and the second is \$550. Find the average of the pay stubs collected within the last 30 days and then use the formula above to determine the amount of pay periods to apply.

$(600+550)/2 = \$575$ bi-weekly

For 9 months and a bi-weekly pay schedule the formula would be $9 \times 26 \div 12$.

$9 \times 26 = 234$

$234 \div 12 = 19.5$

$\$575 \times 19.5 = \$11,212.50$ income for the documented 9 months

10) In §6.4(g)(3)(A) regarding 2080 hours for full-time, you mention no overtime. Does that statement mean that we should exclude all overtime wages from our calculations?

Including whether hourly, weekly, biweekly, or monthly?

No. That statement means that 2,080 is the number of hours in a year a person works if they work forty hours per week 52 weeks per year. Some applicants may present documentation of income that shows regular pay as well as overtime, shift differential, or other types of pay. If the applicant presents pay stubs showing regular earnings along with overtime or other types of pay, to annualize

Texas Department of Housing and Community Affairs
Frequently Asked Questions - Income
Applicable for CEAP, CSBG, and WAP Programs
(Updated April 29, 2020)

the income, use the total gross pay. It is not necessary to separately determine their annual regular wages and the overtime wages.

11) What process do you suggest we use for self-employed? For instance a client of ours works at a hair salon. Her income is dependent on volume and she has overhead expenses for renting space. Should she just bring in a month's worth of income and expenses for her business and we net out and call that monthly income?

Self-employed applicants may present different documentation, but the same process applies. You count whatever they earned in the last thirty days - this will include any tip income earned, average it, and apply the appropriate multiplier.

In the case presented, the hair stylist might present the listed charges for her services and her appointment book to show how many clients she has seen. You would total up what she received from her appointments in the last thirty days. Per TAC Rule 6.4(c)(1) "net receipts must be used...after deductions for business or farm expenses."

It is important to note that for jobs where tipping is customary (hairstylist, waitress, etc.), documentation of income must specifically address tips.

12) For the clients that are self-employed would we be able to accept a notarized letter explaining their income source(s) for the last 30 days? Or what would be an acceptable supporting documentation?

For CEAP, CSBG, and WAP clients who are self-employed, if documentation of income is not obtainable, a Department approved DIS is an option.

D. INCOME or NOT INCOME?

1) Someone in the households receives \$100 from a relative for their birthday. Is this considered income?

No, it is a birthday gift and therefore not considered income.

2) A family member (not residing in the household) gives the household money each month to be used for rent or living expenses. Is this considered income?

Yes, if it is a recurring payment of cash to the household. The relationship of the parties does not matter.

3) A family member (not a member of the household) pays directly to the bank or landlord for mortgage/rent, directly to the utility company for utilities, etc. Is the amount paid considered income?

No, because it is not a payment of cash to the household.

EXAMPLE:

- If a household receives \$100 to buy groceries, it counts as income.
- If someone purchases \$100 in groceries and gives those groceries to the household, it does not count as income.

Parent of a child(ren) in the household (this parent does not reside in household) provides "X" amount for living expenses on a monthly basis, via verbal agreement. Is this considered income? Yes, it is a recurring payment of cash to the household; the relationship does not matter. If the payments were child support, the payments would not count as income.

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

- 4) Parent of child(ren) in household (this parent does not reside in household) pays the mortgage directly to the bank or rent directly to the landlord, utilities, etc., via verbal agreement. Is the amount paid considered income?**

No, because it is not a payment of cash to the household.

- 5) Payment of per diem for whatever reason is reflected on check stub(s) or provided via separate means. Is this considered income?**

If it is a reimbursement of actual expenses paid by the employee, it does not count as income. If the employee receives the per diem regardless of their expenses, it counts as income.

- 6) An applicant receives rent from a boarder in the home; they rent just a room and pay the applicant for that space. Do we just count the rent payment as income for the applicant, or do we require the boarder/renter's income to count towards household income for determining eligibility?**

The rent payment would be counted as income for the applicant. The boarder's income would not be counted, and the boarder would not be counted as a member of the household.

- 7) Do we include children social security benefits if they are received from deceased or disabled parents? If an adult receives SS disability check and their child also receives a check but the check is made out to the adult, do you count the child's check? If a child under 18 is disabled and receives SSI, would we include this income?**

All income of Household members under eighteen is excluded including income made payable to a person over the age of 18.

- 8) If a client has a representative payee who receives the clients check, do we count it as income for the client? Some of our clients may be high functioning MHMR who have a rep payee. They do not ever receive the check, just what the payee allows them to have. How do we count this?**

It is included income, it is understood that the client is receiving the benefit albeit indirectly.

- 9) Is VA disability excluded income?**

No, not all forms of VA disability are excluded income. TAC §6.4(d)(41) states excluded income as "Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts (42 U.S.C. §1437a(b)(4))." So if the award letter or statement does not indicate that the payment is deferred, it will be included.

- 10) Is child support excluded income?**

Yes, child support payments, as well as payments for care of Foster Children, are excluded income. Reference TAC §6.4(a)(19) for child support and §6.4(a)(25) for Foster Children.

- 11) Is an adoption subsidy included income? I know the TAC Rules state that Payments for Foster care are excluded. Please clarify.**

Adoption assistance is a form of child support, and thus not included in income calculations.

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

E. CATEGORICAL ELIGIBILITY

- 1) Is a household automatically eligible for CEAP assistance regardless of income eligibility based on being in the categorically eligible population? What benefit level is granted to households who are over-income, but categorically eligible? We have a client, one person household, and \$1600/month SSI benefit. Since an SSI benefit makes her "categorically eligible" how would we determine her benefit level, as far as, \$1400, \$1500, \$1600?**

That is the definition of categorical eligibility. You still need to collect income information, but they are eligible regardless of their income.

Since the lowest benefit amount is \$1400 and the household's income exceeds 150% of poverty, they would be eligible for the \$1400 payment.

- 2) We have an applicant that receives VA Pension. They are over-income for CEAP. Are they categorically eligible? I have attached the proof of income from the Department of Veterans Affairs.**

Since this is a veterans pension and not one of the means tested veterans programs listed in 10 TAC §6.2(b)(3) and 10 TAC §6.2(b)(30), this applicant is not categorically eligible.

- 3) I have a dependent receiving Dependency and Indemnity Compensation from VA due to the death of a spouse. Death was a result of a service-connected disability. Is this eligible income?**

Yes, this is eligible income, however, applicants receiving this specific type of payment are categorically eligible, and so even if they are over income, they would still qualify for the program.

- 4) If a client is over-income and the client's husband, whom is also on the application has SSI; are they qualified for approval through the application process or would they be denied for over income?**

If someone in the household receives SSI the household is categorically eligible. Here is the definition from 10 TAC §6.2(b).

- 5) (3) Categorical Eligible/Eligibility--A method where a Subrecipient must deem a Household to be eligible for LIHEAP or DOE benefits if that Household includes at least one member that receives assistance under specific federal programs as identified in §6.307 and §6.406 (relating to Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households and Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, respectively), as applicable.**

The respective sections of the TAC indicate clients who receive SSI are categorically eligible for CEAP, LIHEAP-WAP, and DOE-WAP. Clients who receive a Means Tested Veterans Benefit are categorically eligible for CEAP and LIHEAP-WAP only. Further, clients who receive TANF are categorically eligible for DOE-WAP only.

- 6) I would like to confirm that those who are over income but categorically eligible would qualify for \$1400 or up to 12 payments. Is that correct?**

If there is a vulnerable member in the household they could receive up to 12 payments, up to their maximum benefit amount. Most likely someone who receives SSI is a vulnerable household member, but be sure to document appropriately.

Texas Department of Housing and Community Affairs

Frequently Asked Questions - Income

Applicable for CEAP, CSBG, and WAP Programs

(Updated April 29, 2020)

- 7) **Something very rare has happened: we've had an app from a household that LOOKS like it's not eligible for services, but the head of the household receives SSI. There are three adults in the household, two of which work. The vast majority of SSI receivers at our agency are households of 1-2 & have no other income, so this doesn't come up. This particular household has two working adults with good jobs in Abilene, where wages are higher. For a household of 3: poverty level is at 240% with all three incomes & with the SSI removed from calculation, the poverty level is 211%. Because the HOH receives SSI, it's categorical that we have to serve them, right? At a level of \$1400 per component? Am I making the correct assumption or do we have to deny him on the basis that we removed the SSI from the second calculation and they don't qualify either way? I'm reading the TAC 6.2(3) that says we "must deem a Household to be eligible for LIHEAP or DOE benefits if that Household includes at least one member that receives assistance under specific federal programs.**

If anyone in the household receives SSI, the household is eligible for CEAP regardless of income. If they exceed 150% of poverty, they are eligible for the lowest benefit amount, which is \$1400 per component.

- 8) **Two Questions: Do we count SSI as income? Do we count SSDI as income?**

TAC Chapter 6, Subchapter A, Rule 6.4 (a)(2) does not specifically exclude SSI or SSDI from income and therefore they would be counted as income.

Households with an SSI recipient are categorically eligible, even if the household income is above 150% of poverty.

F. MEANS TESTED VETERANS PROGRAM

- 1) **What is the definition of Means Tested Veterans Programs and how do you calculate these payments to determine benefit levels?**

A means tested program, at its most basic level is a program that looks at someone's income, assets, or a combination of those (also known as someone's means) in determining whether or not that person is eligible to receive program assistance. Many of the social programs we know of are means tested: TANF, SNAP, Medicaid, etc.

Means tested veterans programs are benefits for veterans or eligible dependents that look at whether the recipient has the means (income/assets) to support themselves and makes a determination as to eligibility for those programs based on that information (among other factors). The **means tested veteran's programs** make a household **categorically eligible** for CEAP and LIHEAP-WAP, but the income is included for determining the benefit amount (unless the recipient is under 18).

The benefits programs which ARE means tested can be found in 38 USC 1315 (previous 415), 1521 (was 521), 1541 (was 541), 1542 (was 542) and are as follows:

- 1) The following sections are benefits received by dependents of a veteran who meet the specific means tested criteria. The key words to look for on the awards letter are Dependency and Indemnity Compensation.
 - i. Section 1315: Compensation to Parents of a Veteran
 - ii. Section 1541: Spouses and Children of a deceased Veteran
 - iii. Section 1542: Children of Deceased Veterans of a Period of War
- 2) The final section for a means tested veterans benefit is below. This benefit is received by a veteran who meets the specific criteria and the key words included on the awards letter are Non-Service Connected Disability Pension.

Texas Department of Housing and Community Affairs
Frequently Asked Questions - Income
Applicable for CEAP, CSBG, and WAP Programs
(Updated April 29, 2020)

- i. Section 1521: Veterans of a Period of War (A Veteran who is permanently/totally disabled)
- 3) For more information you may visit the VA website at the following links:
 - a. <https://www.va.gov/pension/survivors-pension/>
 - b. <https://www.va.gov/disability/parent-dic-rates/>
 - c. <https://www.va.gov/pension/eligibility/>

The most common regular monthly VA benefits are for service-connected disabilities (disabilities that are actually connected to someone's military service. These are NOT means tested benefits which means they are not categorically eligible. These will be the most common award letters for veterans' benefits that you see and are included income.