Included Income, Excluded Income, and Examples of Methods to Calculate Income Tool

Use this attachment in conjunction with TEGL 18-16, Change 2. The definition of a low-income individual under the Workforce Innovation and Opportunity Act (WIOA) Section 3(36) does not exclude unemployment compensation (this includes Pandemic Emergency Unemployment Compensation, Pandemic Unemployment Assistance, and Extended Benefits), old-age survivors insurance benefits, or child support payments from income calculations as they were previously excluded under the Workforce Investment Act (WIA) Section 101(25). ETA used the U.S. Department of Labor's Bureau of Labor Statistics definition of income to develop this tool.[1] This tool aims to increase NFJP grantees' understanding of what types of income would count towards the income requirement to qualify for NFJP and provide examples of methods to calculate income.

A. Examples of the types of income that could be included when making eligibility determination based on income are outlined in the table below.

Included Income	
Income: Earnings before Taxes	• Wages and salaries;[2] • Self-employment income; • Social Security (Old-Age Survivors and Disability Insurance), private and government retirement; • Interest, dividends, rental income, and other property income; • Unemployment and workers' compensation; and • Regular contributions for support (alimony and child support) – Please note, the term *regular* for this source of income. If an individual is a parent and cannot rely on receiving contributions such as child support, grantees may consider this when calculating income. Important to Know: When gathering information about an individual's income, please note that some types of Federal, State, or local income-based public assistance may automatically qualify someone as low-income. • For example, under WIOA Section 3(36)(A)(i), an individual meets the low-income eligibility when they receive, or in the past 6 months has received, or is a member of a family that is receiving or in the past 6 months has received, assistance through the supplemental nutrition assistance program (SNAP) established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.); the program of block grants to States for temporary assistance for needy families program (TANF) under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or the supplemental security income (SSI) program established under

[1] https://www.bls.gov/cex/csxgloss.htm

[2] https://www.bls.gov/bls/glossary.htm

	title XVI of the Social Security Act (42 U.S.C. 1381 et seq.); or State or local income-based public assistance; • Additionally, per WIOA Section 3(50), the term "public assistance" means Federal, State, or local government cash payments for which eligibility is determined by a needs or income test. State or local income-based public assistance payments, which includes but is not limited to the following type of assistance: • Utility • Child care • Nutrition • Housing

B. Examples of types of income that could be excluded when making eligibility determination based on income are outlined in the table below. When calculating income, do not include any allowance, earnings, or payments stemming from participation in WIOA Title I programs. Per 20 CFR 683.275 (d), allowances, earnings, and payments to individuals participating in programs under title I of WIOA are not considered as income for purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or Federally-assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 *et seq.*).

Excluded Income	
Volunteer/Job Training Payments	• Allowances, earnings, and payments to individuals participating in programs under title I of WIOA; • Any payment to volunteers under Title I (VISTA and others) and Title II (RSVP, foster grandparents, and others) of the Domestic Volunteer Service Act of 1973; • Payments to volunteers under Section 8(b)(1)(B) of the Small Business Act (SCORE and ACE); and • Payments and allowances to individuals participating in AmeriCorps to the extent excluded by the National and Community Service Act of 1990.
Student Financial Aid	• Student financial assistance received under Title IV of the Higher Education Act of 1965, including the Pell Grant, Supplemental Education Opportunity Grant, State Student Incentive Grants, National Direct Student Loan, PLUS, College Work Study, and

	Byrd Honor Scholarship Programs, to the extent excluded by the Act; and • Payments received under the Carl D. Perkins Vocational Education Act, as amended by the Carl D. Perkins Vocational and Applied Technology Act Amendments of 1990, P.L. 101-392.
Military Service-related Income	• Any amounts received as military pay or allowances by any person who served on active duty, and certain other specified benefits paid while on active duty or paid by the Department of Veterans Affairs (VA) for vocational rehabilitation, disability payments, or related VA-funded programs are not to be considered as income, in accordance with VA Title 38 U.S.C. 4213 and 20 CFR 683.230. For additional information about assisting Veterans, please see Training and Employment Guidance Letter NO. 10-09. All pay and/or financial allowances earned while a veteran was on active duty are exempt. Title 38 U.S.C. 4213 also exempts from inclusion in "low income" calculations any financial benefits received by a covered person under the following Chapters of Title 38 of the U.S. Code: 11. Compensation for service-connected disability or death. 13. Dependency and indemnity compensation for service-connected deaths. 30. All-volunteer force educational assistance program. 31. Training and rehabilitation for veterans with service-connected disabilities. 35. Survivors' and dependents' educational assistance. 36. Administration of educational benefits Also excluded from "low income" calculations are benefits received under Chapter 106 of Title 10 U.S. Code, Educational assistance for members of the selected reserve. **Note:** Pension payments authorized by Title 10 U.S. Code, such as those received by military retirees whether or not their retirement was based on disability, are not exempt and are to be included in "low income" calculations. Also not exempt are pension benefits paid under Chapter 15 of Title 38 U.S. Code.
Lump sum payments	• Lump sum payments or large cash settlements are not counted as income since they are not received on a regular basis. These funds may be provided as compensation for a loss that must be replaced, such as payment from an insurance company for fire damage to a house. **Note:** When lump sum payments are put into a savings account and the household regularly draws from that account for living expenses, the amount withdrawn is counted as income.