

## ANNUALIZED INCOME METHODS

### A. Determining Family Size

WIOA youth income eligibility is based on total family income over the 6-month (26-week) period prior to the youth's application date. You must determine family size prior to determining family income, as some individuals in the household may be excluded. Once you have determined who the family members are, you must determine who had income.

**Family:** Family includes parents and dependents as defined by 20 CFR 675.300 and U.S. Internal Revenue Service (IRS). See definition of dependent below.

**Dependents:** As defined by 20 CFR 675.300 and U.S. Internal Revenue Service (IRS), dependents are two or more persons related by blood, marriage or decree of court, who are living in a single residence, and are in one or more of the following categories: 1. Married couple & dependent children, 2. Parent(s) or guardian & dependent children; or Married couple. A dependent child is defined as younger than 19 years or a student who is younger than 24 years by the end of the calendar year or permanently & totally disabled.

When is a youth a family of one? A youth is automatically considered a family of 1 and therefore only the youth's income is considered if the youth: has a documented disability, is 19 or older and not a student or lives alone and is 18 years old or older or an emancipated minor.

### B. Income Eligibility

If any of the following questions can be answered "yes," the youth is automatically income eligible.

1. Does the youth 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, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) program, the Supplemental Security Income (SSI) program or State or local income-based public assistance i.e., State Administered General Assistance (SAGA); Refugee Cash Assistance (RCA); and HUSKY Health?  
Or
2. Does the youth receive or is eligible to receive a free or reduced-price lunch?
3. Does the youth live in a high poverty area as defined by WIOA regulations 20 CFR 681.260?
4. Is the youth in a family with total family income that does not exceed the higher of:
  - a. the poverty line; or
  - b. 70 percent of the lower living standard income level?

To determine total family income, complete the Family Income Worksheet. See instructions below for completing the Family Income Worksheet.

### C. Completing the Family Income Worksheet: Part I

1. Enter the applicant name.  
Enter the dates for the prior 6-month income review period. Example: if a youth applies on 8/8/2012, enter 2/12/2012 in the "From" field and 8/8/2012 in the "To" field.
2. Complete the family composition table.
  - a. Enter the applicant's name and age.
  - b. Enter the family member's name, relationship to the applicant, and age (see definition of family above).
  - c. For each person listed in the family composition, indicate income source(s) [see income source key].
  - d. For each person with earned income, complete Part II: Annualized Income Calculation.
  - e. Enter the annualized income for each person. If a person has no includable income, enter 0 [see directions for Part II].
3. Complete the Income Review section.
  - a. Enter the family size and income limit [see LLSIL chart ].
  - b. Enter the sum of all annualized income from family composition table.
4. Have the applicant and parent/guardian (if applicable) review, sign and date.
5. Sign and date the staff signature line.

#### **D. Completing the Family Income Worksheet: Part II**

**NOTE:** All income documents must be dated within the income review period. The applicant should supply applicable documentation for each income source for each family member with income. Family members with no income should complete a self-attestation detailing how they support themselves (i.e. housing, cash or other resources from family or friends, unemployment compensation, child support, etc.).

1. Enter the family member name, relationship to the applicant, and the income review period.
2. Complete the family member's work history.
  - a. Ask the family member to describe his/her work history over the past 6 months.
  - b. For each job held in the review period, enter the employer name, start date, and end date. If the family member is still working for the employer, enter "present" in the end date column.
  - c. Count the number of weeks worked during the income review period.
3. Select the appropriate income calculation method, based on the documentation provided by the applicant, and calculate income [Average Pay Method, Year-to-Date Method or Intermittent Work Method].
4. Add any comments or additional information.

If the family member had a period of unemployment during the income review period, note this here and include dates.
5. Total all annualized income and enter it in the family composition table in Part I.

#### **E. Methods of Calculating Income** (Note: formulas imbedded in the worksheet calculate all totals automatically)

##### **1. AVERAGE PAY METHOD**

Use this method if the family member provides at least 2 pay stubs.

- a. For each pay stub, convert the gross pay to a weekly gross income.
  - i. Enter the employer name, pay period end date, and gross pay amount.
  - ii. Enter the number of weeks in the pay period (weekly = 1; bi-weekly = 2; monthly = 4.3).
- b. Divide the gross pay by the number of weeks in the pay period and enter the amount in the weekly gross income column.
- c. Calculate the average weekly gross. Add up the amounts in the weekly gross income column and divide by the number of pay stubs.
  - i. Calculate the total income for the review period. Multiple the average weekly gross by the total number of weeks worked during the income review period [see work history table].
  - ii. Calculate the annualized income. Multiple the total income by 2.

##### **2. YEAR-TO-DATE METHOD**

Use this method if the family member provides a recent pay stub with the cumulative year-to-date gross earnings indicated on it. Note that this method cannot be used with pay stubs dated before April 1<sup>st</sup>.

- a. Calculate the weekly gross income. Divide the year-to-date gross pay by the number of weeks worked year-to-date and enter the amount in the weekly gross income column.
- b. Calculate the total income for the review period. Multiple the weekly gross income by the total number of weeks worked during the income review period [see work history table].
- c. Calculate the annualized income. Multiple the total income by 2.

##### **3. INTERMITTENT WORK METHOD**

Use this method if the family member has not had steady work with one or more employers during the review period. Note that this method must be supplemented with a self-attestation detailing missing pay stubs, non-work periods and other forms of support during the income review period.

- a. Enter the employer name, other information explaining employment, start date, end date and total gross income.
- b. Calculate the annualized income. Add up the amounts in the total gross income column and multiple by 2.