

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

903.1 COUNTABLE UNEARNED INCOME

- A. Unearned income comes from sources other than services performed, wages, salaries, tips, commissions, labor, or self-employment
- B. Unearned income available to the household, unless specifically excluded, is countable when determining the eligibility of the applicant or customer
- C. Countable unearned income includes, but is not limited to:
 1. Investment income
 2. Pension Income
 - a. Railroad Retirement (RR)
 - b. Job retirement
 - c. Mine Worker's Retirement
 3. Social Security retirement, survivors, and disability benefits received by the assistance unit.
 4. Sick or accident income
 5. Child support payments received by the assistance unit
 - Pre-assistance arrears payments received by the household are counted as unearned income in the month received.
 - ◆ Any portion left in the following month, is counted as a resource
 6. Alimony payments
 7. Monetary gifts received by the assistance unit
 8. Lump sum payments
 9. Interest
 10. Lottery winnings
 11. Lawsuit settlements
 12. Inheritances
 13. Governmental rent subsidies
 - a. The first \$60 of government housing subsidies paid on behalf of recipients residing in:

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

- i. Section 8 Housing;
 - ii. Public Housing; or
 - iii. Assistance units receiving rental assistance from the Farmer's Home Administration (FMHA)
- b. Customers may declare and are not required to verify the type of housing in which they live, unless questionable.

The \$60 that is deducted for TCA grants is not counted as income when determining income for EAFC purposes.

- 14. Worker's compensation (WC)
- 15. Unemployment Compensation (UNEI)
- 16. Veteran's Benefits (VA)
- 17. Criminal Injuries Compensation Board payments

903.2 EXCLUDED UNEARNED INCOME

- A. All income of an assistance unit member is countable except the following:
- 1. Grants, loans, or scholarships for education
 - 2. Approved training allowances
 - 3. Foster care payments
 - 4. Adoption subsidy payments
 - 5. Food Supplement Program benefits
 - 6. Uniform Relocation Assistance
 - 7. Low-Income Home Energy payments
 - 8. Payments made under the Child Nutrition Act of 1966 i.e. Women, Infants and Children's program (WIC)
 - 9. Payments made under the Disaster Relief Act of 1974
 - 10. Federal Emergency Management Assistance (FEMA) funds when payments are made because of a major disaster or emergency

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

Note: Not all FEMA funds are excluded. For example, some payments made to homeless people to pay for food, rent, or mortgage when there is no major disaster or emergency are not excluded.

11. Loans, other than educational loans, that have a repayment plan (the loan does not have to be in writing or have a formal contract) but there must be intent to repay the loan.
12. Reimbursement for any out of pocket expenses incurred while performing volunteer work including but not limited to:
 13. Transportation expenses
 14. Mileage expenses
 15. Parking expenses
 13. Emergency Assistance to Families With Children grants (EAFIC)
 14. Third party payments
 15. Income or assets distributed to certain Indian tribes as required by Public Law 94 – 114, Section 5
 16. Vietnam veterans allowances for children with medical disabilities
 17. Supplemental Security Income (SSI) benefits
 18. Criminal Injuries Compensation
 19. College Work Study
20. Other types of unearned income available to the household but not counted as unearned income or counted towards the asset limit are:
 - a. Funds placed into the Housing and Urban Development's (HUD) Family Self-Sufficient Program (FSS)
 - b. Subsidy payments under the Welfare-To-Work Rental Voucher Program
21. Federal, state and local earned income tax credits;
22. Payments made under the Older American's Act;
23. Charitable contributions;
24. Infrequent and irregular unearned income up to \$200 per 6 months.
25. Gift cards given to an individual

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

- B. Excluded unearned income does not have to be verified unless it is questionable or it explains how an assistance unit appears to be living without income.

903.3 UNEARNED INCOME CALCULATIONS

- A. Follow these procedures to convert unearned income into a monthly amount:
1. Multiply weekly gross unearned income (drop cents) by 4
 2. Multiply biweekly gross unearned income (drop cents) by 2
 3. Multiply semi-monthly (twice a month) gross unearned income (drop cents) by 2,
 4. Drop the cents of monthly gross unearned income, and use the dollar amount
 5. Divide annual gross unearned income (drop cents) by 12
- B. If the net monthly unearned income amount is equal to or greater than the TCA benefit grant amount for the family size, the family is ineligible for TCA.

EXAMPLES:

- Example 1. Social Security benefits of \$375.80 a month convert to a net monthly unearned income amount of **\$375** after dropping the cents.
- Example 2. Sick benefits of \$67.90 a week convert to a net monthly unearned income amount of **\$268** after dropping the cents and multiplying the \$67 by 4.
- Example 3. Investment benefits of \$5,416.82 a year convert to a net monthly unearned income amount of **\$451** after dropping the cents and dividing by 12.
- Example 4. Alimony payments of \$83.06 semi-monthly convert to a net monthly unearned income amount of **\$166** after dropping the cents and multiplying by 2.

903.4 POTENTIAL INCOME

- A. Applicants and recipients are required to apply for all benefits they may be eligible to receive. These benefits are called potential income.
- B. To consider income potential income, there must be reasonable expectation that the applicant or recipient would be eligible for the potential income.
- C. Explore potential income at application, interim change, or recertification, and inform the applicant or recipient of their obligation to:

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

1. File for the potential income
 2. Provide the local department with written proof of filing
 3. Report receipt of the potential income with 10 days of receipt, or
 4. Provide proof of denial of the potential income
- D. If the applicant or recipient fails to take the required action in applying for all potential income, deny the application or terminate the active case after appropriate adverse action.
- E. Examples of some types of potential income are:
1. Local, state, or federal benefits, such as
 - Social Security Retirement, Survivors, Disability Insurance (RSDI)
 - Supplemental Security Insurance (SSI)
 - Retirement benefits from prior employers
 - Veteran benefits
 - Unemployment insurance
 - Worker's Compensation, or
 2. Private benefits, such as
 - Sick payments from an employer
 - Hospital insurance payments
 - Annuity payments

NOTE: Most benefit income is counted as unearned income. However, in cases where the benefit income is from **an employer and taxes are deducted count the benefit income as earned income** and give the allowable deductions.

Reminder: There is no Food Supplement Program requirement to file for potential income.

DEPARTMENT OF HUMAN RESOURCES FAMILY INVESTMENT ADMINISTRATION	TEMPORARY CASH ASSISTANCE MANUAL	
UNEARNED INCOME-903	COMAR 07.03.03.04	FINANCIAL ELIGIBILITY 900

EXAMPLES:

Example 1. Ms. Reeves just began receiving TCA for herself and her son because of her illness. Her doctor indicates on the 402–B medical form that her illness is permanent and she cannot return to work. Ms. Reeves must apply for Social Security Disability benefits and SSI as potential income.

Example 2. Ms. Gavin is applying for TCA for herself and her daughter. The sick benefits she was receiving from her employer for the past 2 months ended and on the advice of her doctor, she can not return to work for one month. In this situation, even though Ms. Gavin has a disability, she does not have the potential for disability payments from Social Security and should not be referred there.

Example 3. Ms. Kodak supported herself and her son for many years as a home based day care provider. Her landlord advised her that he sold the property and she must move. Ms. Kodak was unable to relocate her business to her new address. She is applying for TCA. Because Ms. Kodak was self-employed and never paid into unemployment, she is not eligible for unemployment benefits and should not be referred to file a claim there.

ADDITIONAL INFORMATION

- Application - Application Process
- Financial Eligibility – Earned Income
- Financial Eligibility – Unearned Income