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**SECTION: CERTIFICATION**

**SUBJECT: Eligibility Requirement**

**ITEM: Determination of Income Eligibility**

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## **Policy**

Local agencies shall require written documentation of family income or verified adjunctive eligibility to establish the applicant/participant's income eligibility. Local agencies shall use the guidelines and all applicable definitions set forth below at the time of each eligibility certification when determining the income eligibility of the applicant/participant for WIC program benefits.

## **Required Procedures**

It is not the intention of the WIC Program to create a complicated or lengthy procedure for determining family economic unit and income eligibility, nor is an interpretation readily available for every situation that may occur. Therefore, local agencies shall exercise discretion when determining family economic unit and income eligibility within the general framework of the definitions and examples provided.

### **I. Adjunctive eligibility**

If the applicant/participant is over income, or other forms of income documentation are not available but can present a Medi-Cal card, local agencies shall determine if the applicant/participant is adjunctively income eligible according to WIC Program Manual (WPM) 210-02. Verification of adjunctive eligibility using the Medi-Cal Eligibility Data System (MEDS) interface is the same as written documentation. Local agency staff shall require no other written documentation to establish family income if the Integrated Statewide Information System (ISIS) verifies the applicant/participant as adjunctively income eligible for WIC.

### **II. Establishing Income**

Local agencies shall determine income eligibility using the following guidelines:

#### **A. Definitions**

**Annual Income:** Is defined as total cash receipts before taxes, from all sources (i.e., gross income), received by the household at different frequencies throughout the last 12 months, and converted to an annual amount by the local agency.

**Current Income:** Is defined as total cash receipts before taxes, from all sources (i.e., gross income), received by the household during the month (30 days) prior to the date the application for WIC benefits is made.

Family Economic Unit: Is a group of related or nonrelated individuals who live together as one household/economic unit. These individuals share income and consumption of goods or services.

Total cash receipts: Is defined as cash income, taxable or not, which is available to purchase goods and services.

## B. Examples of family economic unit

The following are examples of appropriate determination of family economic unit:

1. A pregnant woman and her unborn child (ren) must be counted as two (or more) persons. If by increasing the family size of the pregnant woman she becomes eligible for WIC benefits, continue to count her as two persons or the number of expected multiple births when determining eligibility for other family members (i.e., other infants, children under five years of age). After the birth of the infant or infants, the breastfeeding or postpartum woman shall be counted only as one person when determining income eligibility for her and/or other family members.

**Note: Local agencies are not required to implement this policy in those individual cases where increasing a pregnant woman's family size conflicts with the applicant/participant's cultural, personal, or religious beliefs.**

**Local agencies cannot deny participation in the WIC Program for lack of proof of multiple births. Proof of multiple births may be required, but cannot become a barrier to participation in the WIC Program.**

2. Every infant/child is counted as one person in the family size of the parent/caretaker with whom the infant/child lives the majority of the time. The infant/child shall not be counted in the family of the other parent or caretaker.

For example: A mother and child live together. They receive alimony and child support payments from the father. The father remarried and now lives with the new wife and an infant.

The new wife and ex-wife apply for WIC benefits. The ex-wife and her child are a family size of two, and the alimony and the child support payments are income. The father and his new family are a family of three. The alimony and child support payments cannot be excluded/deducted from the father's income. The child living with the ex-wife cannot be counted in the father's family.

3. A child or other family member who resides in a school or other institution, and whose support is being paid for by the parent/guardian, shall be counted in the family size of that parent/guardian. Even though the individual is living apart from her/his family the majority of the time, she/he is considered to be a member of the family unit since the family continues to provide the economic support.

4. A foster child who is living with a family but who remains the legal responsibility of a welfare agency or other agency shall be considered as a family of one. The payments made by the welfare agency or other source for the care of the child shall be considered to be the income of that foster child for the purpose of determining income eligibility.
5. An adopted child, or a foster or other child for whom a family has accepted legal responsibility, shall be counted in the family size of that family. The size and total income of the family shall be used to determine the child's income eligibility.
6. An individual or group of individuals who have a source of income which is separate from that of other persons residing in the household shall be considered a separate family unit if the local agency determines that their independent source of income is adequate to provide for their living expenses in their particular environment.

## C. Examples of income sources

The local agency shall include the following when establishing the income of the applicant/participant's family unit, based upon written documentation:

1. Monetary compensation for services including wages, salaries, unemployment compensation, and fees.
2. Net income from farm and non-farm self-employment.
3. Social security benefits.
4. State Disability Insurance (SDI).
5. Dividends or interest on savings bonds, income from estates or trusts, or net rental income.
6. Public assistance or welfare payments.
7. Government civilian employee or military retirement or pensions or veterans payments.
8. Private pensions or annuities.
9. Alimony or child support payments.
10. Regular contributions from persons not living in the household.
11. Net royalties.
12. Student financial assistance intended to pay for room, board, or dependent care expenses. Student applicants/participants receiving financial assistance awarded in one lump sum need to separate the portion intended for room, board, and dependent care expenses, from the portion intended for tuition, transportation to school, books, materials, fees and supplies.

13. Cash awards including:
  - a. Lottery or sweepstakes winnings,
  - b. Insurance settlement (unless providing reimbursement for lost property or expenses), and
  - c. Inheritance.
14. Cash income including:
  - a. Cash amounts received or withdrawn from any source,
  - b. Savings,
  - c. Investments,
  - d. Trust accounts, and
  - e. Other resources, which are readily available to the family.
15. Lump sum payments intended for income:
  - a. Gifts, worker's compensation for lost income, and
  - b. Severance pay.

#### D. Examples of income exclusions

Income does not include:

1. Reimbursements for employee-related expenses,
2. Non-cash benefits/reimbursements for services, such as
  - a. Free housing, and board,
  - b. School lunch benefits,
  - c. Food stamps, or
  - d. Student financial assistance received from any program funded under Title IV of the Higher Education Act of 1965, (The portion intended for tuition, transportation to school, books, materials, fees and supplies).
3. Income of the sponsor of a qualified alien (including the income of the sponsor's spouse) when the alien is not a member of the family or economic unit.

For additional information regarding income exclusions, refer to WPM 210-04

#### E. Calculating income

1. Local agencies may consider the annual income of the family during the past 12 months or the family's current income, whichever most accurately reflects the family's income status.
  - a. Local agency staff may use the income calculation function at the ISIS Certify/Recertify Family screens to simplify the annual income calculation process.

- b. If the LA staff chooses to use the family’s current income, the term “current income” is defined as income received by the household 30 days prior to the date the application for WIC benefits is made. However, income eligibility for persons from families with unemployed adult members shall be determined based on the income during the period of unemployment. In this instance “current” refers to income that will be available to the family in the *next* 30 days from the date of the application.

## F. ISIS documentation process

Income is documented and calculated in ISIS by completing the following data fields:

In the ISIS Data Element Field	Enter...
Is this a foster family?	<ul style="list-style-type: none"> <li>• “y” for yes and “n” for no.</li> </ul>
Medi-Cal, Food Stamps, TANF?	<ul style="list-style-type: none"> <li>• “y” for yes and “n” for no, or</li> <li>• Leave blank for foster families.</li> </ul> <p><b>Regardless of income</b>, if the applicant/participant responds “yes” to the question “Medi-Cal, Food Stamps, TANF?” and the Medi-Cal/SSN of the individual(s) participating in any of these programs is known, the local agency staff shall interface with MEDS at the ISIS “Certify Individual” screen to verify participation and possibly qualify the entire family as adjunctively income eligible.</p>
Family size:	<ul style="list-style-type: none"> <li>• Number of persons living as a family unit.</li> <li>• Leave blank for foster families.</li> </ul>
Gross monthly income?	<ul style="list-style-type: none"> <li>• Family’s gross monthly income in whole dollars (0-9999) or press F5 – “Income” to use the calculation screen. (See “Calculate Income” in the Enrollment section of the ISIS Manual.)</li> </ul>
Income documentation:	<ul style="list-style-type: none"> <li>• Leave blank for foster families</li> <li>• Enter the appropriate code to indicate the type of document viewed as proof of income (not necessarily the source of income, e.g., paystub can represent wages, TANF or SDI benefits, etc.)</li> </ul>

Lacking income documentation?	<ul style="list-style-type: none"> <li>• Use “N” code for Income Documentation.</li> <li>• Allow self-declaration for 30 days; enter declared income amount. See Required Procedure III.</li> </ul>
ISIS Comments	<ul style="list-style-type: none"> <li>• When an O code is used as proof of income, the type of document presented for proof of income shall be specified in Family Comments.</li> </ul>

## G. Verification of Income

1. Local agency staff may independently verify the accuracy and completeness of information they determine necessary to confirm income eligibility for WIC benefits, i.e., amount and source of income and number in family.
2. The United States Department of Agriculture (USDA) defines verification as a process whereby state or local agency staff independently confirm the information presented by an applicant/participant, either by self-declaration or by submission of documents (e.g., pay stubs), through an external source of information other than the applicant/participant. Independent verification is not a requirement for determination of income eligibility.
3. Independent verification includes:
  1. Documentation of adjunctive eligibility using the MEDS interface in ISIS, or
  2. Contacts with employers, the Employment Development Department, and/or the county welfare department.

**Note: The applicant/participant/parent/caretaker signature on the Know Your Rights and Responsibilities form (R&R) authorizes local agency staff to verify eligibility information, including income and family economic unit.**

## H. Income ineligibility and disqualification

If the applicant/participant is over income and not adjunctively eligible, the local agency shall:

1. Use the ISIS Ineligibility or Disqualification process to assign the ineligible or disqualification code for “over income,” as described in the ISIS Manual,
  - a. (Enrollment section) “Assign Ineligible Code-Family/Individual,” or
  - b. (Recertification section) “Assign Disqualify Code-Family/Individual,”

2. Complete and distribute either a:
  - a. Notice of Action Affecting WIC Program Applicants (DHS 4134), or
  - b. Notice of Action Affecting WIC Program Participation (DHS 4304).

### III. Applicants/Participants Lacking Income Documentation

#### A. Possess documentation, but fail to bring it to the appointment

1. If an applicant/participant meets all other eligibility criteria at certification, but fails to bring acceptable documentation of income to the appointment, a local agency shall permit the applicant/participant to self declare income for a maximum of 30 days. The agency shall:
  - a. Certify or recertify the applicant/participant and issue only **one** month of food instruments,
  - b. Place an “N” (Documentation Unavailable at Certification) code in the *Certify/Recertify Family* screen in ISIS,
  - c. Place a hold for income in the *Family Holds* screen,
  - d. Place a hold on the printing of food instruments for the **next month**,
  - e. Clearly inform the applicant/participant of: (1) the necessary documents needed within 30 days, (2) the consequences of not providing the documents, and
  - f. Schedule a new appointment within 30 days.
2. If the applicant/participant returns with the documentation within 30 days and is found eligible, the certification period shall begin with the month food instruments were initially provided.
3. If the applicant/participant fails to return within 30 days with the income documentation, the applicant/participant/family shall be determined ineligible. While the applicant/participant must be given the opportunity to appeal this action, the case remains an initial determination and does not require a 15-day advance written notice of action (DHS 4304). The determination of ineligibility is effective immediately. The local agency shall:
  - a. Place “06” (Documentation not adequate to certify eligibility) for the “Disqualify Code” on the *Assign Disqualify Code – Family* screen.
  - b. Place a “0” for the “Months of FIs” to issue on the *Assign Disqualify Code – Family* screen.
  - c. Issue DHS 4134, “Notice of Action Affecting WIC Program Applicants,” to the applicant/participant/family. (Do not use DHS 4304).

4. If the applicant/participant returns within 30 days and is over income, the applicant/participant/family shall be determined ineligible. While the applicant/participant must be given the opportunity to appeal this action, the case remains an initial determination and does not require a 15-day advance written notice of action. The determination of ineligibility is effective immediately. The local agency staff shall:
  - a. Place “04” (Does not meet income eligibility criteria) for the disqualify code on the *Assign Disqualify Code – Family* screen.
  - b. Place a “0” for the “Months of FIs” to issue on the *Assign Disqualify Code – Family* screen.
  - c. Issue DHS 4134, “Notice of Action Affecting WIC Program Applicants,” to the applicant/participant/family. (Do not use DHS 4304).

B. Cannot provide documentation

1. Self-declaration of income is not allowed for more than 30 days except for persons to whom proof of income presents an unreasonable barrier to participation. Examples of unreasonable barriers include instances when
2. an applicant/participant is a:
  - a. Migrant Farm worker,
  - b. Homeless individual,
  - c. Pregnant teen turned out of her home,
  - d. Victim of a disaster, or
  - e. Works for cash.
3. In such instances the applicant/participant must sign a statement attesting to the family’s income. Such statement shall be kept in the local agency daily file.

**Note: See the definition of migrant and homeless in WPM 210-06.**

C. Applicants/Participants reporting zero income

Applicants/Participants reporting zero income shall be prompted to describe in detail their living circumstances and how they obtain basic necessities such as food, shelter, medical care and clothing, in order to properly apply WIC rules pertaining to family size and income. In cases where it is established that an applicant/participant is truly with minimal or no resources, local agencies can offer invaluable links to crucial sources and assistance.

## D. Self Employed Applicants/Participants

Gross income is problematic to determine for a family where one of the household members is self employed because they cannot provide pay stubs based on a monthly salary or hourly wage. In such instances the best and most reasonable documentation is last years' Income Tax Return (Form 1040).

1. Use the line titled **Adjusted Gross Income**, since the costs of doing business (business expenses) are deducted from gross revenues to arrive at it.
2. Then compare that annual or monthly (divided by 12) amount against the WIC guidelines for the number of persons in the Family Economic Unit.
3. If the local agency has further questions, e.g. one of the household members is no longer employed but has earnings on last years' tax return, call your Regional Consultant for guidance.

### **Authority**

7 CFR 246.7 (d),(q)  
WRO Policy Memo 803-AI