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Application Processing - Introduction

Applicants for an Auxiliary Grant (AG) must file a written request for assistance, report changes in their situation and provide verification of eligibility factors. An individual's eligibility must be renewed each year. Workers are required to evaluate the applications and to take action on them within certain time frames. This chapter addresses procedures for submitting and processing applications from the point of initial submission through renewals and changes in the individual's situation. It also specifies the time frames in which actions must be taken and individual's rights and reporting responsibilities.

1. Request for Assistance

A written and signed application is required for all initial applications, reapplications, and renewals. The application form to be used is the Application for Benefits. The Supplemental Renewal application 032-03-729A, and form 032-03-729 C, may be used for renewals.

1.1. Interview Not Required

A personal interview is not required to determine AG eligibility. The individual or his representative may be contacted to clarify or request additional information.

1.2. Application For AG is an Application For Medicaid

An application for AG is also an application for Medicaid and, if the individual incurred medical expenses in the three months prior to the month of application, it is also an application for retroactive Medicaid.

1.2.1. Medicaid Evaluation

1.2.1.1. Retro Medicaid

Determine retroactive Medicaid eligibility based on the Medicaid Manual.

1.2.1.2. Ongoing Medicaid – AG Approval

An individual that is found eligible for AG is eligible for Medicaid. No separate Medicaid evaluation is required.

Exceptions:

If an individual fails to assign his rights to medical support and payment for medical care to the Department of Medical Assistance Services (DMAS), he/she is not eligible for

Medicaid. The failure to assign rights does not impact AG eligibility.

1.2.1.3. **Ongoing Medicaid – AG Denial**

If AG is denied, determine Medicaid eligibility based on the Medicaid Manual.

1.3. **Right to Apply for Assistance**

An individual cannot be refused the right to complete an application for him/herself (the applicant) or any other individual for whom he/she is authorized to apply, and under no circumstances can an individual be discouraged from asking for assistance for him/herself or any person for whom he/she is legally responsible or authorized to represent. An individual may be assisted with the application by an individual of his choice.

1.4. **Applications**

When an AG application is received it must be reviewed to determine if it is a complete application. An application may be complete, incomplete or invalid.

1.4.1. **Complete Applications**

A complete application is one that includes answers to all questions relevant to the AG program and is signed by the applicant or the applicant's representative. The application is accepted and an eligibility determination is made.

1.4.2. **Incomplete Applications**

An incomplete application is one that is signed by the applicant or the applicant's representative but does not include answers to any or all of the relevant questions. The application is accepted and the individual is contacted to obtain the missing information. It is not necessary to return the application to the individual. The information may be obtained in writing or verbally. If the information is obtained verbally, the date of the contact and the information received must be documented in the case record.

1.4.3. **Invalid Applications**

An invalid application is one that is not signed or is signed by someone that is not authorized to apply for the individual. The application is not accepted and must be returned to the individual for whom assistance is

requested. A letter of explanation must be included with the returned application.

Note: The application has multiple spaces for signatures. The application is valid if the individual or his/her representative signs in either the space labeled “Applicant’s or Authorized Representative’s Signature or Mark” or the one labeled “Name of Person Completing Application”. The application must be signed in one of these spaces to be valid. A signature on the front of the application is not sufficient.

2. Who Can Sign the Application

The application must be signed by the individual for whom assistance is requested unless the individual’s condition precludes him/her from doing so or he/she has designated an authorized representative to apply for him/her. If the individual is unable to sign the application the individual’s guardian, conservator or a family substitute relative may apply for him/her.

Note: Under no circumstances may an employee of, or an entity hired by a medical service provider who stands to obtain Medicaid payment file an AG/Medicaid application on behalf of an individual who cannot designate an authorized representative.

2.1. Signature By Mark

If the individual cannot sign his or her name but can make a mark, the mark must be correctly designated (the individual's first and last name and the words "his mark" or "her mark" must be printed adjacent to the mark) and witnessed by one person as in the example below.

Example: John Doe, his mark

Witness's signature: _____

2.2. Designated Authorized Representative

The individual may authorize any adult to serve as his/her authorized representative to apply for AG. The statement designating the authorized representative must be in writing and is valid until (1) the application is denied, or (2) AG enrollment is cancelled, or (3) the individual changes his authorized representative by submitting a written statement revoking the prior designation or naming a new representative.

2.3. Individual Cannot Sign

When an individual cannot sign an initial or renewal application follow the procedure in the chart below. Detailed information follows.

STEPS	WHEN AN INDIVIDUAL CANNOT SIGN AN APPLICATION ACTIONS
Step 1	<p>Has the individual been judged legally incapacitated by a court of law, as evidenced by a copy of the conservator or guardian certificate of appointment in the record?</p> <p>YES: The authorized representative is the appointed conservator or guardian. STOP</p> <p>NO: The individual is competent. CONTINUE</p>
Step 2	<p>Does the individual have an attorney in fact who has the power of attorney to apply for AG for the individual as evidenced by a copy of the power of attorney document in the record?</p> <p>YES: The authorized representative is the attorney in fact. STOP</p> <p>NO: CONTINUE</p>
Step 3	<p>Has the individual signed a written statement authorizing a person (or staff of an organization) to apply for AG on his behalf?</p> <p>YES: The authorized representative is the person or organization authorized by the individual to represent him. STOP</p> <p>NO: CONTINUE</p>
Step 4	<p>Is the individual able to sign or make a mark on an AG application form?</p> <p>YES: Ask the individual for his signature or mark on the application form or for a written statement authorizing someone to apply for AG on his behalf.</p> <p>Give the individual 10 working days to return the completed and signed application. If the completed and correctly signed</p>

STEPS	WHEN AN INDIVIDUAL CANNOT SIGN AN APPLICATION ACTIONS
	<p>application is not returned by the specified date, the application is invalid. Deny AG. STOP</p> <p>NO: CONTINUE</p>
Step 5	<p>Does the individual have a family substitute representative?</p> <p>YES: The authorized representative is the relative identified above who is willing and able to act on the individual's behalf. STOP</p> <p>NO: CONTINUE</p>
Step 6	<p>Does the individual have a diagnosis or condition that causes him/her to be unable to sign the application?</p> <p>YES: Verify the inability through a written statement from the individual's doctor. CONTINUE</p> <p>NO: The individual must sign or make a mark on the application or designate an authorized representative in writing. STOP</p>
Step 7	<p>Has anyone started guardian proceedings?</p> <p>YES: If action has been initiated to obtain a guardian for the individual, request verification that the action is on the court docket. Give 10 days for this verification to be provided.</p> <p>If the verification is provided within the 10 day period, continue to pend the application/ the individual's eligibility until the guardian or conservator is appointed.</p>

STEPS	WHEN AN INDIVIDUAL CANNOT SIGN AN APPLICATION ACTIONS
	<p>NO: Submit an “Eligibility Worker Referral - Medicaid Referral to APS to Request Assessment for Guardianship” form to the Adult protective Services (APS) unit. Continue pending the application/renewal until an APS decision has been made. CONTINUE</p>
Step 8	<p>Was a guardian/conservator appointed?</p> <p>YES: Give the guardian/conservator 10 days to return the completed and signed application. If the completed and correctly signed application is not returned by the specified date, the application is invalid.</p> <p>NO: The individual must sign or make a mark on the application or designate an authorized representative in writing.</p> <p>Give the individual 10 days to return the completed and signed application. If the completed and correctly signed application is not returned by the specified date, the application is invalid.</p>

2.4. Guardian/Conservator

A guardian is a person appointed by a court of competent jurisdiction to be responsible for the personal affairs of an incapacitated individual, including responsibility for making decisions regarding the person's support, care, health, safety, habilitation, education, and therapeutic treatment, and if not inconsistent with an order of commitment, residence.

A conservator is a person appointed by a court of competent jurisdiction to be responsible for the financial affairs of an incapacitated individual.

When an individual has been determined to be incompetent, his/her guardian or conservator must complete and sign the application for AG.

2.4.1. Verification

Request a copy of the guardian or conservator documents for the case record.

2.5. Family Substitute Representative

When it is reported that an individual cannot sign the application and the individual does not have a guardian, conservator, attorney in fact or designated authorized representative, one of the relatives listed below who is willing to take responsibility for the individual's AG business will be the individual's "family substitute" representative. The family substitute representative will be, in this preferred order, the individual's:

- Spouse,
- Adult child,
- Parent,
- Adult sibling,
- Adult grandchild,
- Adult niece or nephew, or
- Aunt or uncle.

2.5.1. Verification

Verification of relationship and inability to sign are not required.

2.6. No Substitute Representative Exists

If the individual is unable to sign the application and does not have an attorney in fact, authorized representative, or family substitute representative, steps must be taken to determine if the individual is in need of a guardian.

2.6.1. Verification

The individual's inability to sign the application must be verified by a written statement from the individual's doctor that says that the individual is not able to sign the AG application because of the individual's diagnosis or condition.

2.6.2. Pursuit of Guardianship

Determine if anyone has begun the process to have a guardian or conservator appointed for the individual.

2.6.2.1. Action Has Been Initiated

If action has been initiated to obtain a guardian for the individual meaning a court guardianship hearing is scheduled on the court docket, request verification that the action is on the court docket. Give 10 days for this verification to be provided.

2.6.2.1.1. Verification Provided

If the verification is provided within the 10 day period,

- **Intake**

Continue pending the application until the guardian or conservator is appointed. If the application is still pending after 45 days, send a Notice of Action to the individual to extend the pending application.

- **Renewals**

If all other eligibility factors continue to be met, continue the individual's eligibility until the guardian or conservator is appointed.

2.6.2.1.2. Verification Not Provided

If the verification is not provided within the 10 day period, assume action has not been initiated and follow the procedures below.

2.6.2.2. Action Has Not Been Initiated

If guardianship/conservator procedures have not begun or have not been verified as being on the court docket, use the "Eligibility Worker Referral - Medicaid Referral to APS to Request Assessment for Guardianship" form to refer the

individual to the Adult Protective Services (APS) unit in the local agency.

Continue an individual's eligibility or to pend an initial application until the APS investigation is completed.

2.6.2.2.1. Guardianship Will Not Be Pursued

If the completed APS investigation concludes that guardianship proceedings will not be initiated, the application must be signed by the individual, or the individual must sign a statement designating an authorized representative. Give the individual 10 days to return the signed application to the agency.

If the application form is not signed by the individual or the authorized representative and returned to the agency by the specified date, deny the application because it is invalid.

2.6.2.2.2. Guardianship Will Be Pursued

Continue an individual's eligibility or to pend the initial application until a guardian is appointed.

2.6.2.2.2.1. Guardian Appointed

Give the guardian/conservator 10 days to return the completed and signed application. If the completed and correctly signed application is not returned by the specified date, the application is invalid.

3. Place of Application

Initial applications and renewals are to be filed in the Virginia locality in which the individual last resided outside of an institution or an AFC home.

Note: Both public and private pay ALFs are considered institutions for AG purposes. ALFS are facilities licensed by Virginia Department of Social Services, Division of Licensing Programs for four or more individuals. Institutions also include hospitals, mental health facilities, nursing facilities, etc.

3.1. Filed In Wrong Locality

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If the application is filed in a locality in which an individual does not have residence, the receiving agency must immediately forward the application to the locality of residence.

- Ms. Smith lived in Hampton prior to going into the ALF. The locality that is responsible for eligibility is Hampton DSS.
- Ms. Smith moved in temporarily with her son who lives in Newport News before relocating to the ALF. Hampton DSS is responsible for determining eligibility for AG.
- Ms. McCoy lived with her daughter in Virginia Beach for about a year and has no other residence in Virginia Beach. She has abandoned her home in Hampton with the intent to live in Virginia Beach with her daughter before going into an ALF. Virginia Beach DSS is responsible for determining eligibility for AG.

3.2. Non-Virginia Resident

If the person did not have a prior residence in a Virginia locality or it cannot be determined where the individual last resided, the agency that serves the area in which the individual's ALF/AFC home is located will be responsible for determining initial and continuing eligibility.

4. Date of Application

The date of application is the date the signed application is received by a local department of social services. If the application is filed in a locality in which an individual does not have residence, the receiving agency must immediately forward the application to the locality of residence. The date received in the original locality will be the date of application.

Note: If the receiving locality fails to transfer the application to the correct locality within 10 business days, the receiving locality will assume responsibility of processing the application prior to transferring the case to the proper locality.

5. Information To Be Given To Individual

At the initial determination and at each renewal the individual must be given the following information.

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- The individual must be given the “Virginia Department of Social Services Benefit Programs” booklet at initial application and reapplication. It does not have to be given at renewal.
- It is the individual’s responsibility:
 - To provide accurate and complete information to the best of his/her ability.
 - To report changes in his/her situation within 10 days of the date the change occurred. The individual must be given a Notification of Change form.
- Failure to provide accurate and complete information or to report a change within ten days of the date the change occurs may result in prosecution for fraud.
- If the individual appears to meet SSI income standards, he/she must make application to SSI within fifteen calendar days.
- If the individual appears to be eligible for other financial benefits, he/she must make application for those benefits within a specified timeframe.
- The name of the social services agency responsible for providing social services.
- The eligibility requirements for AG and how the grant is computed.
- The requirement to verify all eligibility factors within the specified time frame.
- If eligibility factors cannot be verified, he/she will be ineligible.
- The right to dispute the current market value established for real and personal property if ineligibility results.

6. **Assistance Unit (AU)**

The composition of the AU determines whose income and resources will be used in determining financial eligibility. The assistance unit consists of the AG applicant only.

Exception: The AU contains both the applicant and his/her spouse when:

- **As of the first moment of the month of application**
 - They were married to each other; and
 - They lived in the same household
- **Each entered an ALF/AFCH in that month;**

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- **Each applied for AG in that month; and**
- **Each were determined eligible for AG for that month**

This situation can exist only in the month of application.

A **household** is common living quarters and facilities under domestic arrangements that create one economic unit. Sharing a room in an institution is not living in the same household.

7. Processing Applications

An eligibility determination begins with the receipt of a written application, continues through the verification, evaluation and documentation of each eligibility factor, and is completed at the point an eligibility decision is made, all appropriate notices are sent, and computer systems are updated.

AG and Medicaid eligibility are determined from the month of application forward. If appropriate, eligibility for retro Medicaid is determined using the Medicaid manual. There is no retro eligibility for AG.

7.1. Eligibility Established

Eligibility is established when it is determined that the individual meets all eligibility requirements. Ineligibility is established at the point it is determined the individual does not meet an eligibility requirement. The worker must use the *Evaluation of Eligibility for AG* to document the evaluation of each eligibility requirement.

7.2. Application Time Standards

Action to approve or deny a case must be taken within 45 days of receipt of an application. The 45-day processing period begins on the date a signed application is received in the agency. The date the approval or denial notice is mailed to the individual must be within that period. If action to approve or deny an application is not taken within 45 days the timely processing requirements have not been met.

7.2.1. Early Processing

The agency may take action prior to the 45th day of the processing period. However, an early decision will have to be reevaluated in the following situations.

- The application was denied for failure to provide verifications and the individual provides the verification prior to the end of the 45th day.
- The application was denied due to the inability to locate the individual and the individual contacts the agency prior to the 45th day.

7.2.2. Exceptions To The 45-Day Processing Timeframe

Applications whose processing is delayed beyond the 45-day processing period due to one of the following situations is not considered untimely but must be processed within the time frames noted below.

- The agency is unable to take action through no fault of its own. The pending status of the application must be continued for an additional 15 days. Final action must be taken at the end of the 15-day extension.

Examples – Case held pending the determination of Conditional Benefit eligibility; case held pending the licensure of the ALF or approval of the AFCH.

- A guardianship determination is pending. Action must be taken when a guardian is established or it is determined one is not needed.

7.2.3. Notice of Action To Extend The Pending Period

When an application will not be processed by the 45th day, a Notice of Action must be mailed to the individual on the 45th day. The notice must state that the application is still pending and the reason action was not taken within the 45-day processing period.

7.2.4. Notice of Action for 30 Day Placement Eligibility Period

When an applicant meets all eligibility criteria except residence in the ALF, AFCH home or Supportive Housing; the worker must notify the individual of the AG approval pending residency within 30 days from the date of the notice. If placement does not take place within the 30 days of the Notice of Action for AG, the individual can no longer be considered having met the residency requirement and continued eligibility must be re-evaluated. When calculating the 30 days from notice include 5 days for mailing out the Notice of Action for AG.

Note: AG payments are not disbursed to the individual during this time. Payments are not made until the worker verifies approved placement in the facility or home.

7.3. Verification Requirements

The individual is responsible for providing verification of all eligibility factors. The Manual addresses each eligibility factor and the appropriate source for the verification.

- The individual must be notified in writing of the items that must be verified and the date by which the verifications must be received.
- The individual must be given a minimum of ten calendar days to return the verifications. Additional time may be allowed in situations where the individual may have difficulty in obtaining the required verifications in the ten day time frame.
- If the individual asks for help in obtaining the required verifications, the eligibility worker must attempt to obtain them.
- If the required verifications are not provided and the eligibility worker is unable to obtain them, eligibility cannot be determined and the application must be denied.

7.4. Eligibility Decisions on Applications

An AG and Medicaid eligibility decision must be made on each application and the individual and his representative must be notified of that decision.

Possible decisions include:

- **Withdrawal**
 - Individual requests that the application be withdrawn.
 - The agency is unable to locate the individual.
- **Denial**
 - The agency determines the individual is ineligible based on his failure to meet one or more of the non-financial or financial eligibility requirements.
- **Approval**

- The agency determines the individual meets all eligibility requirements.

7.4.1. Withdrawals

7.4.1.1. Voluntary Withdrawal

An individual may voluntarily withdraw his application at any time prior to an eligibility decision being made on the application. This may be done by verbal request or by a signed statement indicating the wish to withdraw the application.

The worker must:

- Document the withdrawal in the case record.
- Update the AGTrak system, using “W” as the case disposition code.
- Send the Notice of Action (for AG) to the individual and his representative to confirm the individual's decision to withdraw. Cite this manual reference.

7.4.1.2. Unable to Locate

If reasonable efforts to locate the individual are unsuccessful and the individual does not contact the agency so that an eligibility decision can be made within the 45-day processing period, the application will be considered withdrawn.

Reasonable efforts have been made when the agency is unable to reach the individual by phone and agency mail to the individual has been returned by the post office indicating no known forwarding address.

The worker must:

- Document the agency's attempts to locate the individual and the withdrawal in the case record.
- Update the AGTrak system, using “W” as the case disposition code.

- Send the Notice of Action (for AG) to the individual and his representative to confirm the individual's decision to withdraw the AG and Medicaid applications. The Notice of Action (for AG) must include the agency's attempts to locate the individual and request that he contact the agency. Cite this manual reference.

7.4.1.2.1. Individual Contacts Agency

If the individual contacts the agency prior to the 45th day, the application must be reopened and eligibility determined.

7.4.2. Denial of AG

Action to deny an application is taken at the point an eligibility determination finds the individual does not meet one or more of the eligibility requirements.

If the individual is ineligible in the application month and/or subsequent months but is eligible in the processing month, deny the appropriate months and approve for the processing month. See Chapter B - 7.4.3 for approval procedures.

7.4.2.1. Denial Procedures

The worker must:

- Document the denial and the reason for it in the case record.
- Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Update the AGTrak system, using “D” as the case disposition code.
- Evaluate retro and ongoing Medicaid eligibility based on the Medicaid Manual.

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- **If eligible for Medicaid**
 - Document the approval in the case record assuring that each eligibility factor is addressed.
 - Assure that all supporting verifications are in the case record.
 - Enroll the individual for Medicaid using the VaCMS system.
- **If ineligible for Medicaid**
 - Document the denial and the reason for it in the case record.
 - Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.
- Send a Notice of Action (for AG) to the individual and his representative to notify them of the AG and the Medicaid denial or approval. State the reason the AG and Medicaid applications were denied and cite the appropriate AG and Medicaid manual references.
 - If the application is denied due to the implementation of a period of ineligibility due to an uncompensated transfer of resources, a Transfer of Resources notice must be sent with the Notice of Action.
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been denied.

7.4.3. Approval of AG

Action to approve an application is taken at the point an eligibility determination finds that all eligibility requirements are met.

7.4.3.1. **Entitlement Begins – Regular AG**

Entitlement to regular AG begins the first month in which all eligibility factors are met. Entitlement cannot begin prior to the month of application. There is no retroactive period for AG.

- If the individual entered the ALF or AFCH in the application month, entitlement will begin on the date the individual entered the ALF or AFCH.
- If the individual entered the ALF or AFCH prior to the month of application, entitlement will begin on the first of the month of application.
- If the individual does not meet all eligibility criteria within the month of application but meets all criteria in a subsequent month, entitlement will begin the first of the month in which all eligibility criteria are met.
- If the individual entered the ALF or AFCH in a month subsequent to the month of application, entitlement will begin on the date the individual entered the ALF or AFCH.

7.4.3.2. **Entitlement Begins – Conditional Benefits**

Entitlement to Conditional Benefits begins the first month after the individual receives written notification that his Agreement to Sell Property has been received and accepted.

- The date of acceptance is 5 days from the date the Conditional Benefits Notice is mailed unless the individual shows that he/she did not receive it within the 5-day period.
- If the Conditional Benefits Notice is handed to the individual, the date of acceptance is that date.

7.4.3.3. **Approval Procedures**

The worker must:

- Document the approval in the case record assuring that each eligibility factor is addressed.

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- Assure that all supporting verifications are in the case record.
- Enter the appropriate data in the local payment system.
- Evaluate retro Medicaid eligibility based on the Medicaid Manual.
- Evaluate Medicaid Eligibility. Eligibility for AG equals eligibility for ongoing Medicaid if the individual met the Declaration of Citizenship and the **Assignment of Rights requirements**.
 - **Met**
 - Enroll the individual for Medicaid using the VaCMS system.
 - **Not met**
 - Document the denial and the reason for it in the case record.
- Update the AGTrak system, using “G” as the case disposition code.
- Send the “Notice of Action” or the “Conditional Benefits Notice”, as appropriate, to the individual and their representative to notify them of the AG and Medicaid decisions.
 - If Medicaid is denied, state the reason the Medicaid application was denied and cite the appropriate manual reference.
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been approved.

7.5. Notices

The individual, his representative, and the ALF/AFCH provider must be notified in writing of the application decision.

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Section 63.2-501 of the Code of Virginia was amended during the 2017 Session of the Virginia General Assembly. Effective July 1, 2017, LDSS shall obtain the applicant's alternative contact information, in addition to the applicant's best available address and telephone number such as email or cell phone number, and the applicant's preferred method of contact, including direct mail, email or text message. Eligibility workers (EW) shall review the application for this information.

The eligibility worker shall use the applicant's preferred method of contact to communicate general information about the applicant's eligibility for the AG Program. However, the EW is still required to mail the written Notice of Action (NOA) for AG to inform the individual of specific action on the case. Follow this guidance when communicating with the AG applicant:

- Email message guidance:

Dear Jane.Doe@yahoo.com,

An action was taken on Auxiliary Grant Case #123456. A written notice was mailed to your address on file. Please check your mail for the notice.

This electronic communication may contain confidential or privileged information for an intended recipient. If the reader of this message is not the intended recipient, or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.

- Text message guidance:

Written notice of action on your AG case has been mailed to your address on file. Please check your mail for this notice.

- Direct Mail guidance:

No changes to current policy. Mail Notice of Action for AG by the application deadline or extended deadline, if applicable, based on policy in the AG Manual Chapter B, 7.2.2.

8. Processing Renewals

Eligibility for all AG and Medicaid recipients must be renewed annually and all eligibility factors subject to change must be reverified. If a renewal is not completed, continuing eligibility cannot be determined and the case must be closed.

A renewal begins with the receipt of a written application from a non-SSI individual or the review of SVES or SOLQ data for an SSI recipient, continues through the verification, evaluation and documentation of each eligibility factor, and is completed at the point an eligibility decision is made, all appropriate notices are sent, and computer systems are updated.

Eligibility is established when it is redetermined that the individual meets all eligibility requirements. Ineligibility is determined at the point the individual does not meet one of the eligibility requirements. The worker must use the Evaluation of Eligibility *for AG* to document the evaluation of each eligibility requirement.

8.1. Renewal Date

The initial renewal date is twelve months from the month of application. (The month of application is counted as the first month in the twelve-month period.) Subsequent renewal dates will be twelve months from the last renewal month.

Example: Application was filed in March 2016. The renewal date will be February 2017. The renewal process must be completed and the MMIS system updated by the system cutoff date in February. SSI Recipients

An SSI recipient does not have to file a written application to complete his/her annual renewal. The renewal process for an SSI recipient is completed by verifying continued receipt of SSI through SVES or SOLQ, verifying the individual's residence in an ALF/AFCH, documenting the case record, and notifying the individual of the results of the renewal.

The renewal must be completed by the MMIS cutoff date in the renewal month.

8.2. Non- SSI Recipients

A written application is required to complete an annual renewal for a non-SSI individual. "Supplemental Renewal Application Forms A & C" must be mailed to the individual in sufficient time to allow for the return of the application, the provision of all required verifications, and the completion of an eligibility determination by the MMIS cutoff date in the renewal month. The individual must be given a minimum of ten days to return the completed renewal application.

8.2.1. Renewal Application Received Late

If the renewal application is not returned timely, but is received:

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- Prior to the effective date of closure due to failure to complete a renewal, the application must be processed as a renewal.

If the renewal is completed after the scheduled renewal date, the next renewal date will be twelve months from the month the renewal application was received by the agency. (The month the renewal application is received is counted as the first month in the twelve month period.)

- After the effective date of closure, a complete Application for Benefits must be submitted and the application must be processed as a reapplication. If the individual submitted Supplemental Renewal forms A and C, send the individual an Application for Benefits giving him/her 10 days to return the completed document. If the application is returned within 10 days, use the date from the Supplemental Renewal forms A & C were received as the individual's application date.

8.2.2. Verifications Requirements

All eligibility factors subject to change must be reverified. The Manual addresses each eligibility factor and the appropriate source for the verification.

- Blindness and disability do not have to be reverified unless it is reported that the individual is no longer blind or disabled.
- The individual must be notified in writing of the items that must be verified and the date by which the verifications must be received.
- The individual must be given a minimum of ten calendar days to return the verifications. Additional time may be allowed in situations where the individual may have difficulty in obtaining the required verifications in the ten day time frame.
- If the individual asks for help in obtaining the required verifications, the eligibility worker must attempt to obtain them.

If the required verifications are not provided and the eligibility worker is unable to obtain them, eligibility cannot be determined and the case must be closed.

8.3. Eligibility Decisions on Renewals

An AG and Medicaid eligibility decision must be made on each application for renewal and each failure to submit a renewal application. The individual and his representative must be notified in writing of that decision.

Possible decisions include:

- **Failure to comply**
 - The individual did not submit a renewal application. Case will be closed.
- **Closure**
 - The agency determines the individual is ineligible based on his failure to meet one or more of the non-financial or financial eligibility requirements. The case must be closed.

- **Suspension**

An individual's grant is suspended when

- The individual is ineligible for one month only.
- **Approval/Eligibility Continues**
 - The agency determines the individual meets all eligibility requirements and eligibility will continue.

8.3.1. Failure to Comply

If an individual does not submit a renewal application, continuing eligibility cannot be determined. The case must be closed.

8.3.1.1. Procedures

The worker must:

- Retain a copy of the cover letter that was sent to the client that stated the date by which the renewal application was to be returned.
- Document the closure and the reason for it in the case record.
- Close the case in the local payment system.
- Close the case in VaCMS.

- Close the case in AGTrak.
- Send the “Notice of Action (for AG)” to the individual and his representative to notify them of the AG and Medicaid closures. State the reason the AG and Medicaid cases were closed and cite the appropriate AG and Medicaid manual references.
- Send the “Provider/DSS Communication Form” to the ALF/AFCH to notify the provider that the AG has been closed.

8.3.2. AG Closure

When the worker determines the individual is ineligible based on his failure to meet one or more of the non-financial or financial eligibility requirements the case must be closed.

8.3.2.1. Closure Procedures

The worker must:

- Document the closure and the reason for it in the case record.
- Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Evaluate Medicaid eligibility based on the Medicaid Manual.
 - **If eligible for Medicaid**
 - Document the approval in the case record assuring that each eligibility factor is addressed
 - Assure that all supporting verifications are in the case record.

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- Close the individual's coverage in the MMIS system as an AG individual and reopen it under the individual's new covered group.
- Send a "Notice of Action (for AG)" to the individual and his representative to notify them that Medicaid eligibility continues.
- **If ineligible for Medicaid**
 - Document closure and reason in the case record
 - Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.
- Send a "Notice for Action (for AG)" to the individual and his representative to notify them of the AG and, if appropriate, Medicaid closures. State the reason the AG and Medicaid applications were closed and cite the appropriate AG and Medicaid manual references
- At the end of the 10 day advance notice period,
 - Close the case in the local AG payment system
 - Close the AG case in VaCMS
 - Close the AG case in AGTrak
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been closed.

8.3.3. AG Suspension

An individual's grant will be suspended when the worker determines the individual is ineligible for one month only. A grant will be suspended for the reasons and the time periods listed below.

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- The individual's receipt of a one-time payment will cause ineligibility for a month.
- Inability to verify eligibility for a month.
- An individual who is required to apply for reinstatement of SSI has applied but SSI has not made a decision. The grant will be suspended until an SSI decision is made or 30 days from date of renewal application, at which time the case will be closed. (Be sure to evaluate all other covered groups for eligibility prior to denial.)

Note: Suspension procedures do not apply to situations in which an individual's payment amount is reduced to zero but remains AG eligible. Zero payment might occur due to payment reconciliation, application of penalties for misuse of burial funds, etc.

8.3.3.1. Suspension Procedures – Ineligible for One Month Only

The worker must

- Document the ineligibility, the suspension, and the reason for it in the case record
- Assure substantiation of ineligibility is included in the case record

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Evaluate Medicaid eligibility based on the Medicaid Manual, Volume XIII.
 - **If eligible for Medicaid**
 - Document the change in the case record assuring that each changed eligibility factor is addressed
 - Assure that all supporting verifications are in the case record

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- Close the AG Medicaid case in VaCMS
- Reopen the individual in his new Medicaid covered group in VaCMS
- Update the renewal date in VaCMS.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them that Medicaid eligibility continues.
- **If ineligible for Medicaid**
 - Document the closure and the reason for it in the case record.
 - Assure substantiation of ineligibility is included in the case record.
 - Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.
 - Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the Medicaid closure. State the reason Medicaid was closed and cite the appropriate Medicaid manual references.
 - At the end of the 10-day advance notice period, close the case in VaCMS.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the AG suspension. State the reason for the suspension, cite the appropriate AG manual reference, and state the date the grant will be reinstated.
- At the end of the 10-day notice period, suspend the case in the local AG payment system.
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been suspended.

- Reinstatement AG and Medicaid for the following month. Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the reinstatement.
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been reinstated.

8.3.3.2. Suspension Procedures –

The worker must

- Document the suspension and the reason for it in the case record.
- Assure the case record contains substantiation of the reason for the suspension; Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the AG suspension. State the reason for the suspension, and cite the appropriate AG manual reference.
- At the end of the 10-day notice period, suspend the case in the local AG payment system.
- Set a special review, to check the status.
- Evaluate Medicaid eligibility based on the Medicaid Manual.
 - **If eligible for Medicaid**
 - Document the change in the case record assuring that each changed eligibility factor is addressed.
 - Assure that all supporting verifications are in the case record.
 - Close the AG Medicaid case in VaCMS
 - Reopen the individual in his new Medicaid covered group in VaCMS.

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- Update the renewal date in VaCMS.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them that Medicaid eligibility continues.
- **If ineligible for Medicaid**
 - Document the closure and the reason for it in the case record.
 - Assure substantiation of ineligibility is included in the case record.
 - Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.
 - Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the Medicaid closure. State the reason Medicaid was closed and cite the appropriate Medicaid manual references.
 - At the end of the 10-day advance notice period, close the case in VaCMS.
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been suspended.
- Upon receipt of an SSI reinstatement decision, evaluate the change.

8.3.4. AG Approval/Continuing Eligibility

The agency determines the individual meets all eligibility requirements and eligibility will continue.

8.3.4.1. Grant Amount Remains Unchanged

No financial changes have occurred.

The worker must:

- Document the continuing eligibility in the case record assuring that each eligibility factor is addressed
- Assure that all supporting verifications are in the case record.
- Update the appropriate data in the local payment system
- Update the renewal date and other data in the VaCMS system
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of continued AG and Medicaid eligibility.

8.3.4.2. **Grant Increases**

There has been a decrease in the individual’s income or level of need.

The worker must:

- Document the approval in the case record assuring that each eligibility factor is addressed.
- Compute the new grant.
- Assure that all supporting verifications are in the case record.
- Enter the appropriate data in the local payment system.
- Update the renewal date in VaCMS system.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of continued AG and Medicaid eligibility.

8.3.4.3. **Grant Decrease**

The individual’s income increased or there was an increase his level of need.

The worker must:

- Document the approval in the case record assuring that each eligibility factor is addressed.
- Compute the new grant.
- Assure that all supporting verifications are in the case record.
- Enter the appropriate data in the local payment system.
- Update the renewal date in the MMIS system.
- Send the “Notice for Action (for AG)” to the individual and his representative to notify them of continued AG and Medicaid eligibility and the decrease in the grant amount.

8.4. Notices

The individual or his representative must be notified in writing of the renewal decision. The type of action to be taken determines the specific notice to be used.

9. Processing Changes (Partial Reviews)

When a change in an eligibility factor occurs between renewals, a partial review of the individual’s case is required to determine if eligibility continues and if the amount of the grant is correct.

The evaluation of a change begins with the receipt of information that a change has occurred and continues through the verification and evaluation of the change, documentation in the case record, updating of appropriate computer systems, and the mailing of a notice to the individual.

9.1. Reporting Changes

The individual must report changes in his/her situation within 10 days of the date the change occurred. The report may be verbal or in writing.

- If the individual has more than one agency worker and reports a change to any one of them, the responsibility to report has been met.

Information that appears in the Medicaid MMIS system, VaCMS system, in an IVES report, or that is available through the SVES or SOLQ inquiry

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system is considered to be changes that have been reported to the agency and the individual's requirement to report has been met.

The eligibility worker is responsible for identifying these changes and must take action on them within the time frames noted in Chapter B - 9.2.

9.1.1. Failure To Report Timely

If the individual fails to report a change timely, a change that was not otherwise known to the agency, determine if the change resulted in an increase or decrease in the individual's grant.

9.1.1.1. Grant Increase

Implement the change as instructed in Chapter B - 8.3.4.2.

- The individual is entitled to supplements from the month of change forward. The supplements will be addressed at the point the impacted months are reconciled. See Reconciling Payments Chapter J – 7.

9.1.1.2. Grant Decrease

Determine if an overpayment has occurred. Implement the change as instructed in Chapter B - 8.3.4.3.

- Determine the month in which the change occurred and should have been reported.
- Use the Change Time Standards in Chapter B - 9.2 below to determine the month the change should have been implemented had it been reported timely.

Overpayments occurred in the month the change should have been implemented and each subsequent month that occurred prior to the actual implementation of the change.

Example: Individual's support income increased on January 1st. He reported the change in April. A Notice for Action (for AG) was mailed notifying him that his grant would be decreased effective June.

The individual should have reported the change by January 11th. The change would have been implemented for March, the second month following the month in which the change was to

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be reported. Overpayments occurred in March, April, and May.

- Determine the total amount of the overpayment.
- Take action to recover the total overpayment as directed in Chapter L.

9.2. Change Time Standards

Action must be taken on reported changes within a timeframe that permits the worker to meet the effective date guidelines given below.

9.2.1. Increase In Grant Amount

9.2.1.1. Increase in Grant Amount Due to Income Change

Action must be taken within 30 days of the date the change was reported. The individual will be due supplements for each month impacted by the change. The supplements will be issued at the point the impacted period is reconciled. See Reconciling Payments Chapter J – 7.

9.2.1.2. Increase in Grant Amount Due to Increase in AG Rate

Increases made necessary by an increase in the monthly rate must be made retroactive to the effective date of the rate increase. The supplements must be issued at the point the determination is made. Do not wait until the impacted months are reconciled.

Example: The AG rate increases effective January 1. Case action is taken on February 5. The increase must be effective January 1. A supplement is required for January and February and is initiated on February 5.

9.2.2. Termination/Decrease In the Grant

If a decrease in the amount of the grant or termination of assistance is required, the reduced payment or nonpayment of assistance must be effective as soon as administratively possible, the first of the month following the end of the 10-day notice period, but no later than the second month following the month in which the change is reported.

Example: A change is reported on July 26. Action must be taken by the August MMIS cutoff date (approximately August 16) to make the decrease effective September 1.

9.2.2.1. Advance Notice

The individual must be given 10 days advance notice of a proposed decrease or termination of his grant. Unreduced payments issued during the advance notice period are not over payments.

Example: On July 10th the individual reported that his income increased effective July 1st. On July 23rd the EW computes the new grant amount and prepares a “Notice for Action (for AG)”. The advance notice period is 10 days, July 24th through August 2nd. The notice will state the reduced grant will be effective September 1st. The EW can take action to reduce September’s grant on August 3rd. The August grant is not an overpayment.

Exception to the 10-day advance notice requirement

- The individual requests the case be closed.
- The individual’s death has been verified.
- The individual was discharged from the facility.

9.3. Verification Requirements

All changes in eligibility requirements must be verified.

- A request for a case to be closed must be made in writing and be signed and dated by the individual or his representative.
- The individual must be notified in writing of the items that must be verified and the date by which the verifications must be received.
- The individual must be given a minimum of 10 days to return the verifications. Additional time may be allowed in situations where the individual may have difficulty in obtaining the required verifications in the ten day time frame.
- If the individual asks for help in obtaining the required verifications, the eligibility worker must attempt to obtain them.

9.3.1. Verification Not Provided

If the required verifications are not provided and the eligibility worker is unable to obtain them, continued eligibility cannot be determined and the case must be closed.

9.4. Eligibility Decisions on Changes

An eligibility decision must be made on each reported change. The individual and his representative must be notified in writing of that decision.

Possible decisions include:

- **Ineligibility/Closure**

- The agency determines the individual is ineligible based on his failure to meet one or more of the non-financial or financial eligibility requirements and the case must be closed.
- The agency receives information verifying the death of the individual.
- The individual requests his case be closed.

- **Suspension**

An individual's grant is suspended when

- The individual is ineligible for one month only.
- The worker is unable to determine the individual's continuing eligibility while awaiting an SSI eligibility reinstatement decision.

- **Eligibility Continues**

The agency determines the individual meets all eligibility requirements and eligibility will continue.

9.5. Ineligibility/Closure

When the agency determines the individual is ineligible based on his failure to meet one or more of the non-financial or financial eligibility requirements, the individual requested the case closed, or the individual died, the case must be closed.

The worker must

- Close AG case in AGTrak

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- Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Evaluate Medicaid eligibility based on Medicaid Manual.
 - **If Medicaid eligible**
 - Document the change in the case record assuring that each changed eligibility factor is addressed.
 - Assure that all supporting verifications are in the case record.
 - Close the AG Medicaid case in VaCMS.
 - Reopen the individual in his new Medicaid covered group in VaCMS
 - Send a “Notice of Action (for AG)” to the individual and his representative to notify them that Medicaid eligibility continues.
 - **If Medicaid ineligible**
 - Document the closure and the reason for it in the case record
 - Assure substantiation of ineligibility is included in the case record.
 - Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the AG and, if appropriate, Medicaid closures. State the reason AG and Medicaid were closed and cite the appropriate AG and Medicaid manual references.
- At the end of the 10-day advance notice period close the case in the local AG payment system, the AGTrak system, and, if appropriate, VaCMS.
 - **Exception: A 10-day advance notice period is not required when an individual requests his case closed.**
- Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been closed.

9.6. Suspension

An individual's grant will be suspended when the worker determines the individual is ineligible for one month only. A grant will be suspended for the reasons and the time periods listed below. Medicaid eligibility based on AG eligibility ends at the point the AG payment is suspended. Medicaid eligibility for the suspension period will have to be evaluated based the Medicaid Manual.

Reasons for suspension:

- The individual's receipt of a one-time payment will cause ineligibility for a month.
- Inability to verify eligibility for a month.

9.6.1. Suspension Procedures – Ineligible for One Month Only

The worker must:

- Document the ineligibility, the suspension, and the reason for it in the case record.
- Update AGTrak to reflect the suspension of the case.
- Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Evaluate Medicaid eligibility based on the Medicaid Manual.
 - **If Medicaid eligible**
 - Document the change in the case record assuring that each changed eligibility factor is addressed.
 - Assure that all supporting verifications are in the case record.
 - Close the AG Medicaid case VaCMS.
 - Reopen the individual in his new Medicaid covered group in VaCMS.
 - Send a "Notice of Action (for AG)" to the individual and his representative to notify them that Medicaid eligibility continues.

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- **If Medicaid ineligible**

- Document the closure and the reason for it in the case record.
- Assure substantiation of ineligibility is included in the case record.

Example: If the individual is ineligible due to excess income, the case record must include verification of the income and the calculations used to determine ineligibility.

- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the Medicaid closure. State the reason Medicaid was closed and cite the appropriate Medicaid manual references.
 - At the end of the 10-day advance notice period close the case in VaCMS.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the AG suspension. State the reason for the suspension, and cite the appropriate AG manual reference.
 - At the end of the 10-day advance notice period, suspend the case in the local AG payment system.
 - Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been suspended.
 - Reinstate AG and Medicaid for the following month. Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the reinstatement.
 - Send the Provider/DSS Communication Form to the ALF/AFCH to notify the provider that the AG has been reinstated.

9.7. Continuing Eligibility

The agency determines the individual meets all eligibility requirements and eligibility will continue.

9.7.1. Grant Amount Remains Unchanged

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No financial changes have occurred.

The worker must:

- Document the change in the case record assuring that each changed eligibility factor is addressed on the evaluation of eligibility for AG form.
- Assure that all supporting verifications are in the case record.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of continued AG and Medicaid eligibility.

9.7.2. Grant Increases

There has been a decrease in the individual’s income or level of need.

The worker must:

- Document the change in the case record assuring that each changed eligibility factor is addressed.
- Compute the new grant.
- Assure that all supporting verifications are in the case record.
- Enter the appropriate data in the local payment system.
- Send a “Notice of Action (for AG)” to the individual and his representative to notify them of the increased grant amount.

9.7.3. Grant Decreases

The individual’s income increased or there was a decrease his level of need.

The worker must:

- Document the change in the case record assuring that each eligibility factor is addressed.
- Compute the new grant.
- Assure that all supporting verifications are in the case record.

- Send the “Notice of Action (for AG)” to the individual and his representative to notify them of the decrease in the grant amount.
- At the end of the 10 day advance notice period, enter the appropriate data in the local payment system. The effective date of a decrease will be the first of the month following the expiration of the advance notice period.

9.8. Notice to Individual and Provider

The individual and his representative must be notified in writing of the results of the change evaluation. The type of action to be taken determines the specific notice to be used. The provider must be notified if the change results in the individual’s ineligibility. See Chapter B – 9.5.

10. Notices

The individual and his representative must be notified in writing of decisions on applications, renewals, and the results of change evaluations. The type of action to be taken determines the specific notice to be used.

The provider must be notified of initial eligibility decisions and any changes that result in the individual’s ineligibility. The Provider/DSS Communication Form is used to notify the providers. This form is located on FUSION website.

10.1. AG Notice of Action

The “Notice of Action (for AG)” is used to notify an individual of the approval or denial of his/her initial application or reapplication for regular AG and when his/her annual renewal or change evaluation results in continued eligibility at the same or higher payment level and/or termination and suspended eligibility.

10.1.1. Initial Application/Reapplication

The notice must be mailed at the time a decision is made on the application and within the 45-day processing period.

- If a decision has not been made by the 45th day, a “Notice of Action (for AG)” must be mailed to the individual on the 45th day. The notice must state that the application is still pending and the reason action was not taken within the 45-day processing period.

10.1.2. Renewal or Change

The notice must be mailed at the time a decision is made.

10.2. Conditional Benefits Notice

The “Conditional Benefits Notice” is a multipurpose form. It is used to notify an individual of his/her potential eligibility for Conditional Benefits, approval of Conditional Benefits, and the termination of Conditional Benefits. See Chapter F.

10.2.1. Initial Application/Reapplication

The “Conditional Benefits Notice” is used at two points in the application eligibility determination process.

10.2.1.1. Potential Eligibility

The “Conditional Benefits Notice” must be mailed within the 45-day processing period to inform the individual of his ineligibility for regular AG due to excess non-liquid resources and his potential eligibility for Conditional Benefits. An “Agreement to Sell Non-Liquid Resources” must be sent with the notice.

10.2.1.2. Eligibility Approved

The “Conditional Benefits Notice” must be mailed at the point it is determined the individual is eligible for Conditional Benefits. It must be mailed within 60 days from the date of application.

10.2.2. Renewal or Change

The “Conditional Benefits Notice” is used as an advance notice of proposed action to notify an individual that he/she is no longer eligible for Conditional Benefits.

10.2.2.1. Time Frames

The individual must be given a minimum of 10 days advance notice before his/her case can be closed.

- The “Conditional Benefits Notice” must be completed and mailed at least 11 days prior to the effective date of the proposed case closure. The notice must state the effective date, the reason for the action, and cite the supporting manual reference.
- The effective date of the closure will be the first of the

month following the expiration of the advance notice period.

10.3. Advance Notice of Proposed Action

The “Advance Notice of Proposed Action” is the Notice of Action (for AG) mailed out 10 days in advance to notify an individual that his/her renewal or change has been evaluated and that

- Eligibility continues but the grant amount will be reduced,
- The grant is being suspended, or
- Eligibility no longer exists.

10.3.1. Time Frames

The individual must be given a minimum of 10 days advance notice before an adverse action can be taken on the case.

Exception: A 10-day advance notice period is not required when an individual requests case closure.

- The “Notice of Action (for AG)” form must be completed and mailed at least 10 days prior to the effective date of the proposed decrease or case closure. The notice must state the effective date, the reason for the action, and cite the supporting manual reference.
- The effective date of an adverse action will be the first of the month following the expiration of the advance notice period.

10.4. Transfer of Resources Notice

The Transfer of Resources Notice is used to notify an individual that they are ineligible for a period of time due to the uncompensated transfer of resources, to inform them of their right to claim undue hardship and to notify them of any adjustments made to the period of ineligibility. See Chapter G.

10.4.1. Initial Application/Reapplication

The “Transfer of Resources Notice” is to be sent with the Notice of Action (for AG).

10.4.2. Renewal or Change

The “Transfer of Resources Notice” is to be sent with the “Notice of Action (for AG)”

10.5. Provider/DSS Communication Form

The Provider/DSS Communication Form is used to notify the provider of the eligibility decision. The form is also used as means of communication between the local DSS and the assisted living facility or adult foster care home provider. They can exchange information regarding:

- The AG and Medicaid eligibility status of an individual;
- Admission or discharge of an individual to home, hospital, another ALF/AFCH, or an institution, or to report the death of an individual;
- Other information known to the provider that might cause a change in the eligibility status.

10.5.1. Use of the Form

The form may be initiated by either the local DSS or the provider of care. The local DSS must complete the form for each applicant at the time initial eligibility is determined. A new form must be prepared by the local DSS whenever there is any change in individual’s circumstances that results in the individual’s ineligibility.

The provider must use the form to show admission date, to request information on AG or Medicaid eligibility status, to request a Medicaid recipient I.D., or to notify the local DSS of changes in the individual’s circumstances, discharge or death.

Note: There is no separate form labeled “Advance Notice of Proposed Action.” Sending the “Notice of Action (for AG)” 10 days prior to action **is the Advance Notice**. Make sure that all notification of changes are mailed out 10 days prior to action where indicated.

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Non-Financial Eligibility - Introduction

Both SSI recipients and non-SSI individuals must meet the non-financial eligibility criteria at initial application, redetermination, and throughout their eligibility period. Criteria that are subject to change must be reevaluated at each redetermination and when changes in the individual's situation occur. Failure to meet a non-financial requirement will result in ineligibility for AG and/or Medicaid. See Chapter D-1 for the definition of SSI recipient.

Each non-financial eligibility factor listed in this chapter must be evaluated and documented on the Evaluation of Eligibility. The documentation must state that the applicant meets or does not meet the nonfinancial eligibility requirements.

1. Identity

Because of the growing problem of identity theft and false identity situations, each applicant is required to present documentary evidence of his/her identity. The worker must be certain the individual is who he/she claims to be (i.e., that the person existed and continues to exist). Identity evidence must:

- Have been issued at a later time and for a different purpose than the birth record; and
- Be of recent issuance to establish the individual's continued existence.
 - Generally, "recent" means a current, unexpired document.

Note: A birth record establishes a fact of birth (i.e., that the person was born) and the legal name at birth. It is not sufficient evidence to establish identity for AG purposes because it does not establish the person's continued existence. Therefore, AG does not accept a birth record as an identity document because it is not adequate evidence to show that the person is still alive. AG needs evidence that shows the individual continues to exist beyond the date of birth up to the present time.

1.1. Verification

An individual's identity must be verified at initial application and reapplication. Identity does not have to be reverified at redetermination, if it was previously verified.

SSI and SSA recipients' identity has been verified by SSA and does not have to be reverified.

Documents that are acceptable as verification of identity for non-SSI and non-SSA recipients are listed in two groups based on their relative probative value: primary verification and secondary verification.

- Primary verification documents have the highest probative value. They provide reliable evidence of an individual's identity.
- Secondary verification documents have lower probative value. They are less reliable sources of identity verification.

1.1.1. Primary Verification Documents

The individual must submit the document with the highest probative value when it is available. If the individual states the document with the highest probative value is expired or lost but can be replaced within 10 business days, the individual must obtain a current copy of the document.

Note: An alien's identity and alien status cannot both be verified by one document. Two documents are required, one for identity and one for alien status.

U.S. CITIZEN	ALIEN
<p>Primary Evidence</p> <ul style="list-style-type: none"> • U.S. driver's license (not expired) • U.S. State issued non-driver identity card (issued by the same State agency which issues driver's licenses and not expired) • U.S. Passport (not expired)* <p>*For evidence of identity purposes, the passport must be currently valid (i.e., not expired).</p>	<p>Primary Evidence</p> <p>A current U.S. immigration document AND an unexpired foreign passport.</p> <ul style="list-style-type: none"> • Form I-551, Permanent Resident Card (includes temporary I-551 stamp/machine readable immigrant visa (MRIV) in combination with an unexpired foreign passport when the I-551 Permanent Resident Card has not yet been issued) • Form I-94, Arrival/departure Record in combination with an unexpired foreign passport • Form I-766, Employment Authorization card • Form I-688B, Employment Authorization card • Form I-872, American Indian Card (see RM 00203.430A.3.; this card is issued only to members of the Texas Band of Kickapoos) <p>Note: In some cases, the alien may have a current immigration document</p>

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U.S. CITIZEN	ALIEN
	but not have foreign passport (e.g., a refugee or when the applicant entered the U.S. without inspection or has an American Indian Card). In these situations accept the immigration document alone.

1.1.2. Secondary Evidence Documents

If primary evidence is not available (available means the document exists and the applicant can access or obtain it within 10 business days), request a secondary evidence document.

U.S. CITIZEN	ALIEN
<p>Secondary Verification</p> <ul style="list-style-type: none"> • U.S. military identification card (DOD Common Access Card) (active duty, retiree, national guard, or dependent) • Certificate of Naturalization • Certificate of U.S. Citizenship • U.S. Indian Tribal card approved by your AG consultant as an acceptable identity document • U.S. government employee identification card (Form OF-55, U.S. Government Identification, or other document issued by the employing agency) 	<p>Secondary Verification</p> <p>When the applicant was not issued a U.S. immigration document, but meets the requirements for an SSN for non-work reasons, then any one of the following documents may be accepted as verification of identity:</p> <ul style="list-style-type: none"> • U.S. driver's license (not expired) • U.S. State issued identity card (issued by same State agency which issues driver's licenses and not expired) • Canadian Band card (Certificate of Indian status) issued to Indian members of Canadian tribes • Marriage document

U.S. CITIZEN	ALIEN
<ul style="list-style-type: none"> • Non-government employee identity card/badge card showing the applicant's name and either a photograph or the applicant's DOB • Marriage document showing in addition to the applicant's name either the applicant's DOB or age • Medical record (clinic, doctor, or hospital) showing, in addition to the applicant's name, the applicant's DOB or age <p>NOTE: a receipt or a record of treatment recorded and maintained by the applicant or the applicant's family is not acceptable</p> <ul style="list-style-type: none"> • Health insurance (other than a Medicare or Medicaid card) showing in addition to the applicant's name either a photograph of the person or the person's DOB (card must be current) • Life insurance policy for the person showing his/her age or DOB 	<ul style="list-style-type: none"> • Medical record (clinic, doctor, or hospital) <p>NOTE: A receipt or a record of treatment recorded and maintained by the applicant or the applicant's family is not acceptable.</p> <ul style="list-style-type: none"> • Health insurance (other than a Medicare or Medicaid card) showing, in addition to the person's name, either a photograph of the person or his/her DOB • Life insurance policy for the person showing his/her age or DOB

1.1.3. No Available Primary Or Secondary Verification Document

When no primary or secondary verification document is available, (available means the document exists and the applicant can access or obtain it within 10 business days), handle on a case-by-case basis. Consult with the supervisor to see if the other verification of identity the individual has might be acceptable. The supervisor must consult with the AG consultant to determine if it is acceptable. The AG consultant will use the SSI guidelines located at <http://policy.ssa.gov/> to determine if the verification is acceptable.

1.1.4. List of Unacceptable Documents

The documents on the following list are not acceptable as verification of identity and cannot be used. These documents are generally issued based on the individual's statement.

- Library card
- Vehicle registration
- Voter's registration
- Rental or lease agreement or receipt
- Credit card (with or without a photo)
- Shopping card (e.g., grocery store, warehouse store)
- Check cashing card
- Organization membership cards
- Bank deposit slip
- Telephone/Utility bill
- Fishing/hunting license
- Identification cards issued by local sports teams
- Form W-2
- Any document issued by World Service Authority
- Any identity card/document issued by a commercial firm (e.g., United States Identification card produced by the commercial firm United States Identification Card Systems, Inc.) because it is based on the purchaser's allegation alone

- Any identity card/document issued by a fictitious governmental organization or a private organization that purport to be governmental organizations (e.g., Moorish Consulate, Moorish

National Bureau of Vital Statistics) because it is based on allegation alone

- Any document that is completed by the applicant (such as a blank immunization form where the parent or applicant completes the information identifying the individual).

1.1.5. Questionable Documents

If an identity document does not appear to be authentic, attempt to verify its authenticity with the issuing source. Photocopy both sides of the document. Make sure all information on the document can be read on the photocopies. If any information is not legible, write the information on the photocopy. Return the original document to the applicant and send the photocopy of the document to the issuing source to request verification.

1.1.6. Responsibility for Verification

The responsibility for providing acceptable verification of identity remains with the individual. If the issuing authority does not respond within appropriate processing time frames or confirms that the document is false, give the individual an opportunity to provide additional verification.

1.1.7. Document Does Not Establish Identity

If, after all attempts to verify identity, it appears that an applicant is not who he or she purports to be and cannot satisfactorily explain the discrepancy or the document submitted cannot be verified by the issuing agency, the AG application must be denied.

Tell the applicant that if he or she later obtains sufficient documentation to establish his or her true identity, he or she must reapply.

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2. Covered Groups

An individual must meet an AG covered group in order to be eligible for AG. The AG covered groups are aged, blind and disabled. An individual's relationship to a covered group must be verified as directed below.

2.1. Aged

“Aged,” means age 65 years or older. An individual must be age 65 or older to meet the aged covered group.

Note: An aged individual's Medicaid Aid Category is “012”.

2.1.1. SSI/SSA/Railroad Retirement/Medicaid Recipient

An individual who receives SSI, SSA, Railroad Retirement or Medicaid as aged meets the aged definition for AG. Verify the individual's SSI/SSA eligibility via SVES (State Verification Exchange System). Verify the individual's Railroad Retirement based on age 65 or older through documentation provided to him by the Railroad Retirement Board (RRB) or by contacting the RRB at (877) 772-5772. Verify Medicaid eligibility as aged through documents in the case record.

Note: An individual whose SSI payment has been suspended is **not** considered an “SSI recipient” throughout the suspension period. An individual who has been classified as “presumptively” eligible for SSI is **not** considered an SSI recipient for AG or Medicaid purposes.

2.1.2. Mandatory SSI Applicant

An individual whose income is less than the Federal Benefit Rate (FBR) is required to apply for SSI. The individuals' age can be verified through the SSA program.

2.1.2.1. Initial Application

His application will be held pending until an SSI decision is made or the 45th day of the application period, whichever occurs first. If a disability decision has not been made by the SSA program within the 45 day processing period, the applicant will be evaluated as a Non-SSI individual using Non-SSI AG policy.

2.1.2.2.Redetermination/Change

His grant will be suspended until an SSI decision is made *or* by the 30th day from the date of receipt of a renewal or change, whichever occurs first.

If an individual was receiving AG assistance under the disabled covered group and later turns age 65, change the covered group from disabled 052 to age 012.

2.1.3. Non-SSI/Non-SSA Individual

For an individual who is not an SSI or SSA recipient, establish individual's age by his birth certificate. If the individual's birth certificate is not available, at least two other documents with information on age must be provided. Other documents may include a family bible, an insurance policy, a baptismal record, a census record, a marriage record, or a child's birth certificate.

2.2. Blind

Blindness is defined as having central visual acuity of 20/200 or less in the better eye with the use of a correcting lens. Blindness can be determined by an ophthalmologist, optometrist, or any physician who can evaluate visual acuity as well as visual fields.

Note: A blind individual's Medicaid Aid Category is "032".

2.2.1. SSI/SSA/Medicaid Recipient

An individual who receives SSI, SSA, or Medicaid as blind meets the blindness definition for AG. Verify individual's SSI/SSA eligibility via SVES (State Verification Exchange System). Verify Medicaid eligibility as blind through documents in the case record.

Note: An individual whose SSI payment has been suspended is **not** considered an "SSI recipient" throughout the suspension period. An individual who has been classified as "presumptively" eligible for SSI is **not** considered an SSI recipient for AG or Medicaid purposes.

2.2.2. Railroad Retirement (RR)

An individual who receives Railroad Retirement as blind meets the blindness definition for AG. Verify his blindness through documentation provided to him by the Railroad Retirement Board (RRB) or by contacting the RRB at (877)772-5772.

2.2.3. Mandatory SSI Applicant

An individual who is required to apply for SSI will have his blindness determined by the SSA program.

2.2.3.1. Initial Application

His application will be held pending until an SSI decision is made or the 45th day of the application period, whichever occurs first. If a disability decision has not been made by the SSA program within the 45 days processing period, the applicant will be evaluated as a Non-SSI individual using Non-SSI AG policy.

2.2.3.2. Redetermination/Change

His grant will be suspended until an SSI decision is made or by the 30th day from the receipt of the renewal or change, whichever occurs first.

2.2.4. Former SSA/SSI/RR Disability Recipient

An individual who received SSA/SSI disability benefits or RR total disability benefits due to blindness in one or more of the 12 months preceding the AG application and whose benefits were terminated for a reason other than no longer meeting the blindness requirement continues to meet the disability or blindness definition.

Verify his SSI/SSA blindness through SVES. Verify his RR status by contacting the RRB (877)882-5772.

2.2.5. Non-SSI/Non-SSA Individual

For an individual whose blindness has not been established, certification is required to meet the blindness covered group. Virginia no longer maintains a central registry of individuals who have been certified as blind or visually impaired. For an individual who alleges blindness or a visual impairment but does not receive SSI or Social Security Disability

Income benefits, refer the individual to the Disability Determination Services (DDS) to request a determination of blindness.

2.3. Disabled

For an individual who is age 18 or older, disability is defined as the inability to do any substantial gainful activity (work) because of a severe, medically determinable physical or mental impairment which has lasted or is expected to last for a continuous period of not less than 12 continuous months, or which is expected to result in death.

Note: A disabled individual's Medicaid Aid Category is "052".

2.3.1. SSI/SSA Recipient

An SSI or SSA recipient who receives SSI or SSA as disabled meets the disabled definition for AG. Verify the individual's SSI/SSA eligibility via SVES (State Verification Exchange System).

Note: An individual whose SSI payment has been suspended is **not** considered an "SSI recipient" throughout the suspension period. An individual who has been classified as "presumptively" eligible for SSI is not considered an SSI recipient for AG or Medicaid purposes.

2.3.2. Mandatory SSI Applicant

An individual who is required to apply for SSI will have his disability determined by the SSA program.

2.3.2.1. Initial Application

His application will be held pending until an SSI decision is made or until the 45th day from the receipt of the application, whichever occurs first. If a decision is not made by DDS by the 45th day, the applicant will be evaluated as "not disabled". If the individual does not meet any other covered group, the application will be denied. The worker shall encourage the applicant to re-apply once a favorable disability decision is made. Retroactive coverage is not available in AG.

2.3.2.2. Redetermination/Change

His grant will be suspended until an SSI decision is made *or* by the 30th day from the date of receipt of the renewal or change.

2.3.3. Non-SSI/Non-SSA Individual - Disability Determined By Other Source

For an individual who is not an SSI or SSA recipient, the disability definition is met if he/she:

2.3.3.1.Receives Railroad Retirement Full Disability Benefits

The Railroad Retirement Board (RRB) makes disability determinations for railroad employees. “Total” disability determinations mean the individual is disabled for all regular work. “Occupational” disability means the individual is disabled for regular railroad occupation, but is not “totally” disabled. Only “total” disability meets the AG disability covered group.

Verify his disability by contacting the RRB at (877) 772-5772, or through documentation provided to the individual by the RRB.

2.3.3.2.Receives Medicaid Assistance As A Disabled Individual

Verify his disability status by documents in the case record.

2.3.3.3.Previously Received SSI, SSA or Railroad Retirement

If the individual received SSI, SSA or Railroad Retirement full disability benefits in one or more of the 12 months preceding the AG application, and whose benefits were terminated for a reason **other than** no longer meeting the disability requirement, the individual meets the disability requirements.

Verify his SSI/SSA disability status through SVES. Verify his RR status by contacting the RRB at (877)-772-5772.

2.3.3.4.Has Been Found To Be Disabled By The Disability Determination Services (DDS)

Verify his disability status by documents in the case record. If the individual alleges that he has been found to be disabled by the DDS but there is no disability determination on file, verify his status by contacting the DDS at 804-662-9222.

2.3.4. Non-SSI Individual - Disability Not Determined

An individual whose disability has not been established for a period covered by the AG application must be referred to Disability

Determination Services (DDS) for a disability determination. This includes

- Individuals who are not required to apply for SSI due to excess income, and
- Individuals whose established disability period did not include the AG application month.

2.3.4.1. Referral to Disability Determination Services (DDS)

The Disability Determination Services (DDS) is a division of the Virginia Department of Aging and Rehabilitative Services (DARS). DDS makes determinations of medical eligibility for disability or blindness benefits under Social Security (SS), Supplemental Security Income (SSI), Medicaid, and AG programs. DDS makes its determinations of “disabled” or “not disabled” based upon federal regulations. The same definitions of disability and blindness and the same evaluation criteria are used for all four programs.

The following three forms are required to make a referral to DDS to request a disability determination:

- Disability Report Adult SSA-3368-BK to be completed by the individual.

It is available at

<http://www.socialsecurity.gov/online/ssa-3368.pdf>

- Authorization to Disclose Information to the Social Security Administration to be completed by the individual.

It is available at

<http://www.socialsecurity.gov/online/ssa-827.pdf>

- DDS Referral Form to be completed by the worker.

It is available at FUSION website

2.3.4.1.1. Worker Responsibilities

The worker will send the “SSA Disability Report – Adult” and the “Authorization to Disclose Information to the Social Security Administration” forms to the individual within

five working days of receipt of the AG application, giving the individual a minimum of 10 days to return the completed forms.

2.3.4.1.1.1.Forms Not Returned

If the completed forms are not returned within 45 days from the date of application, the individual does not meet the disabled covered group.

2.3.4.1.1.2.Incomplete Forms Returned

Return the incomplete forms to the individual with a cover letter explaining what information is missing, the date by which they must be returned, and that the forms are required to determine his/her eligibility. Require the return of the forms within the original 45 day processing period.

2.3.4.1.1.3.Completed Forms Returned

When the completed forms are returned, review them to assure they contain the needed information. If incomplete, follow the procedure above.

Send the completed “SSA Disability Report – Adult,” the “Authorization to Disclose Information to the Social Security Administration,” and the “DDS Referral” forms to:

Disability Determination Services Regional Office assigned to the local DSS agency. See Appendix I.

2.3.4.1.1.4.DDS Processing Period

The DDS disability determination process is usually 90 days. The eligibility worker must report all changes in address, medical condition and earnings that occur during the pending application period to DDS. When an AG application is denied for a nonfinancial reason not related to the disability determination, DDS must be notified immediately.

If a disability determination cannot be completed within the allotted time, DDS will notify the individual directly and send a copy of the correspondence to the worker.

2.3.4.1.1.5.Individual Is Deceased

When an individual who applies for a disability determination dies or is deceased at the time of the AG application, the eligibility worker must immediately notify DDS of the individual's death and provide a copy of the death certificate, if available. DDS will determine if the disability requirement for AG eligibility was met.

2.3.4.1.1.6.Disability Determination Received

DDS will send the worker the individual's disability determination. The worker must complete the AG eligibility determination upon receiving notification of the individual's disability status.

The worker must send the individual DDS's Notification of Disability Determination along with the - Notice of Action (for AG). A copy of the disability notice must be retained in the case record.

2.3.4.1.2. DDS Responsibilities

The DDS must make a disability determination within a period within 90 days, provided all medical information has been submitted.

If a disability determination cannot be completed within the allotted time, the DDS will notify the individual directly of the delay and, if appropriate, the need for additional information. A copy of the DDS's correspondence to the individual will be sent to the local agency eligibility worker.

The DDS will advise the local agency of the individual's disability status as soon as it is determined. The DDS will send the eligibility worker a notice that is to be sent to the individual advising him of the outcome of his disability determination. The worker shall place a copy of the letter in the closed file if the application has been denied.

3. Virginia Residence

Individuals applying for AG and have not lived in Virginia for the minimum of 90 days must submit a written statement of intent to remain in Virginia form unless they meet an exception listed in Chapter C.3.2.

An individual's residence is the city or county within the state where the individual last resided outside of an institution. Institutions for purposes of this requirement are the following:

- Both public and private pay ALFs
- Nursing Homes

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- Intermediate Care Facilities
- Correctional Facilities
- Rehabilitation Centers
- Psychiatric Facilities
- Hospitals or other Medical Facilities

If the individual does not have residence in a Virginia locality or it cannot be determined where the individual last resided, the locality where the assisted living facility or adult foster care home is located is the individual's place of residence.

Individuals placed in an assisted living facility in another state do not retain Virginia residency.

An individual visiting in an area or who is there for another temporary purpose, such as hospitalization in a general hospital, is not considered to be living in the locality.

3.1. Verification

Residency is verified by using one of the following documents:

- Postmarked letters
- Public utility records or credit accounts
- Voter registration records
- Home or apartment lease
- Real property records
- Medical bills; or
- State or federal tax records.

NOTE: If an individual does not meet the 90-day residency requirements, a separate evaluation for Medicaid eligibility will need to be made at initial application for AG.

3.2. Exceptions to the 90-day residency requirement

Individuals who have moved to Virginia to join a close relative who has lived in Virginia for at least 90-days do not have to meet the 90-day residency requirement. A close relative is limited to the individual's parent, grandparent, grandchild, brother, sister, spouse, or child. The close relative shall furnish proof of residency as specified 3.1 of this section.

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The close relative shall furnish verification of kinship at the time of application using one of the following documents:

- Birth certificate;
- Proof of marriage; or
- Notarized affidavit,

The individual must be a resident of Virginia. An individual's residence is the city or county within the state where the person last lived outside an institution or an adult foster care home.

Note: Both public and private pay ALFs are considered institutions for AG purposes.

If the individual does not have residence in a Virginia locality or it cannot be determined where the individual last resided, the locality where the assisted living facility or adult foster care home is located is the individual's place of residence.

4. Fugitive Felons & Parole Violators Status

An individual cannot be eligible for AG if he/she is a fugitive felon or a parole violator.

He is ineligible for AG if he/she is

- **Fleeing to avoid prosecution or custody for a felony under the laws of the place from which the individual flees.**

To be considered "fleeing" an individual must have knowledge of an outstanding warrant. An individual must have an opportunity to document that he/she has fulfilled the requirements of the warrant,

- **Fleeing to avoid confinement after conviction for a felony under the laws of the place from which the individual flees, or**
- **In violation of a condition of probation or parole imposed under federal or state law.**

4.1. SSI Recipients

An SSI recipient's fugitive status was verified by the SSA program. No further verification is needed.

4.2. Non-SSI Individuals

The individual's statement on the application that he/she is not a fugitive felon or parole violator will be accepted if it is not questionable.

If his statement is questionable or if he/she states he/she is a fugitive felon or parole violator or if a third party reports that he/she is, verify his status through the appropriate law enforcement agency.

4.2.1. Individual is a Fugitive Felon

4.2.1.1. Initial Application

Send a "Notice of Action" to deny the AG application and determine Medicaid eligibility based on the Medicaid Manual.

4.2.1.2. Redetermination/Change

Send a "Notice of Proposed Action (for AG)" and close the AG case. Determine Medicaid eligibility based on the Medicaid Manual.

5. Social Security Number

The individual must provide a valid Social Security number (SSN) or must provide proof of application for a Social Security number.

5.1. Verification

- The individual's Social Security number will be verified through the SVES system. Retain a copy of the SVES report in the case record.
- Proof of application for a Social Security number will be verified by contact with SSA or by receipt of SSA Form SSA-2853.

Note: Some information can be verified using SOLQ. Verify with SVES if information is not in SOLQ.

6. Level Of Care Assessment (Screening)

6.1. Adult Foster Care Home (AFCH) Assessment

- The family service specialist in the local department of social services shall assess the adult to determine the need for adult foster care home (AFCH) placement. A DMAS-96 is required for AG.

- Residents of an AFCH must be assessed at least once every 12 months. The twelve-month reassessment is based upon the date of the last assessment (e.g., original assessment, twelve-month reassessment, or assessment for change in level of care) and does not need to be performed in the same month as the financial eligibility redetermination.

6.2. Assisted Living Facility (ALF) Assessment

- All residents of and applicants to an ALF who apply for AG must be assessed, regardless of payment source or length of stay.
- Residents of an ALF must be assessed at least once every 12 months. The twelve-month reassessment is based upon the date of the last assessment (e.g., original assessment, twelve-month reassessment, or assessment for change in level of care) and does not need to be performed in the same month as the financial eligibility redetermination.

6.2.1 Assessors for Public Pay Individuals in an ALF Include The Following:

- Local Departments of Social Services;
- Area Agencies on Aging (AAA);
- Centers for Independent Living;
- Community Services Boards (CSB);
- Local Departments of Health;
- State facilities operated by the Department of Behavioral Health and Developmental Services (DBHDS)
- Acute care hospitals; or
- An independent physician contracting with DMAS to complete the UAI for ALF applicants and residents.
- Department of Corrections, Community Release Units

The above assessors may conduct initial assessments as well as annual reassessments with the exception of:

- State facilities operated by the DBHDS
- Acute care hospitals
- Department of Corrections, Community Release Units

6.2.2 An Assessment Of ALF Applicants And Residents Is A Process To:

- Evaluate the medical, nursing, developmental, psychological, and social need of each individual seeking ALF admission and continued placement;
- Analyze what specific services the individual needs; and
- Determine the level of care required by the individual by applying the criteria for ALF care. Two levels of care qualify an individual to receive services in an ALF, Residential Living and Assisted Living.
 - α Individuals meet the criteria for residential living when at least one of the following describes their functional capacity:
 - Rated dependent in only one of seven activities of daily living (ADLs) (i.e., bathing, dressing, toileting, transferring, bowel function, bladder function, and eating or feeding, or both);
 - Rated dependent in one or more of four selected instrumental activities of daily living (IADLs) (i.e., meal preparation, housekeeping, laundry, and money management); or
 - Rated dependent in medication administration.
 - α Individuals meet the criteria for assisted living when at least one of the following describes their capacity:
 - Rated dependent in two or more of seven ADLs; or
 - Rated dependent in behavior pattern (i.e., abusive, aggressive, or disruptive)

6.2.3 Uniform Assessment Instrument

Assessors use the “Uniform Assessment Instrument” (UAI) to record the outcomes of their assessments.

Assessors use the “Medicaid Funded Long-term Care Service Authorization (DMAS-96)” to notify the eligibility worker of the results of the initial assessments and the “Eligibility Communication Document” to notify them of the results of the annual redeterminations.

<https://www.viriniamedicaid.dmas.virginia.gov>

<https://fusion.dss.virginia.gov>

6.2.4 Procedures

6.2.4.1 Intake

The eligibility worker must have a copy of a “Medicaid Funded Long-term Care Service Authorization (DMAS-96)” in the case record to substantiate that the individual’s screening is in a current status. The worker does not need a copy of the UAI.

6.2.4.1.1 The DMAS 96 Must:

- Be signed by the assessor.
- For new residents, have been completed within 90 days prior to admission to the ALF.
- State that the “Medicaid Authorization Level of Care” is “11 = ALF Residential Living”, “12 = ALF Regular Assisted Living”.

6.2.4.2 Ongoing

The eligibility worker must have a copy of the “Eligibility Communication Document” in the case record to substantiate that the individual’s screening is in a current status.

6.2.4.2.1 “Eligibility Communication Document” Must:

- Be signed by the person that conducted the assessment.
- Have been completed within 12 months prior to the redetermination month.

6.2.5 Current Assessment Not On File

Eligibility cannot be determined without a DMAS 96 or an “Eligibility Communication Document” documenting an assessment has been done within the appropriate time frame.

- If the assessment has been completed, request a copy of the DMAS 96 from the agency that completed it.
- If the assessment has not been completed or the situation is unknown, send a written request for an assessment to the Adult Services Unit of the appropriate LDSS.
 - If one is received within the appropriate processing time frame, process the application.
 - If one is not received within the appropriate processing time frame, AG eligibility cannot be determined.

See Chapter B - 7 for application procedures and Chapter B - 8 for redetermination procedures.

7. Residence In An Assisted Living Facility Or An Adult Foster Care Home

The individual must be residing in an assisted living facility (ALF) that has been authorized to operate and is licensed by the Virginia Department of Social Services, or residing in an adult foster care home (AFCH) that has been approved by a local DSS.

Note: A group home licensed by the Department of Behavioral Health and Developmental Services is not eligible to be an auxiliary grant provider.

***Exception:** When an applicant meets all eligibility criteria except residence in an ALF or AFCH, the worker shall send the Notice of Action for AG informing the individual he is approved for AG pending placement in an approved setting. The individual will have 30 days from the date of the notice to move into an appropriate placement. The worker must verify residence as stated below in Chapter C Section 7 before AG payments may be disbursed. If placement is not confirmed within the 30-day time period, send Notice of Action for AG to deny the application.*

7.1. Residing In An ALF Or AFCH

An individual is residing in an ALF or AFCH if

- He is living in the ALF or AFCH at the time of approval of the application or

- He lived in the ALF or AFCH sometime during the period following the AG application but is not living there when action is taken on the application.

7.1.1. Verification Of Residing In An ALF

Verify an individual's residence in an ALF by:

- Telephone contact with the individual at the facility,
- A visit to the individual at the facility by a social services department employee during the month of application or renewal
- A statement from a department of social services worker that placement was made at the address on the ALF license for new applications, or
- A written statement from an individual unconnected to the ALF that the individual resides in the facility/home.

7.1.2. Verification Of Residing In An AFCH

Verify an individual's residence in an AFCH by

- A statement from the placing Department of Social Services' *family service(s) specialist* that the individual is in the foster care home.

7.2. Assisted Living Facility - Authorized To Operate

An ALF is permitted to operate when it is licensed by the Virginia Department of Social Services and authorized to accept AG residents by the Department for Aging and Rehabilitative Services with a signed provider agreement. The local agency shall continue to provide payments to an eligible resident as long as the ALF in which he/she is living is licensed and authorized.

7.2.1. Licensing Continues

A facility continues to be licensed when

- It is in the license renewal process.
- It is operating while appealing an adverse licensing decision.

The appeal process allows the appellant to pursue his appeal through VDSS and through a court hearing. The ALF continues to be licensed as long as it continues to appeal or until a final decision is made by the court.

- **It is operating during a change of ownership.**

An existing facility is permitted to operate during the first six months following a change in ownership as long as the new owner is fulfilling the licensure application requirements.

- **It is operating on a conditional license.**

7.2.2. Verification

Verify that the ALF is licensed to operate and is approved to accept AG recipients by the viewing the **AG Facilities Rates File** on the FUSION website. If the facility is not listed, the facility is either not approved to accept AG recipients or is no longer licensed.

If questions arise regarding a facility's licensing status, contact the Licensing Unit located in the field office serving the local DSS.

If questions arise about a facility's authorization to accept AG recipients, contact the AG consultant.

7.3. Adult Foster Care - Approved Home

An AFCH is "approved" when the staff of the local social services agency has determined that the home meets the required standards.

Note: Adult foster care is not offered in every locality. An individual who is residing in AFC in one locality must have AG eligibility determined and payment issued by the locality in which he or she lived prior to entering AFC (or another institution) even if the individual's locality of origin does not offer an AFC program.

7.3.1. Verification

Verify the home's status by contacting the social services unit that approved the home. Obtain a copy of the Agency Approved Provider Certificate.

7.3.2. Expiration of Approval Period

The expiration date for the approval period should be set for the last day of the month in which approval is granted and be two years hence unless the approval is emergency, provisional or suspended.

7.4. Residence Ends

An individual's residence in an ALF or AFCH and his eligibility for AG ends when

- He has been absent from the facility/home for 14 consecutive days. The 14 days begin the day following the day he/she left the facility,

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- He has been discharged,
- He has left the home without planning to return, or
- Medical evidence indicates he/she will not be returning.

7.4.1. Procedures

7.4.1.1. Initial Application

Determine eligibility for the period the individual was in the ALF or AFCH. Determine Medicaid eligibility for the period after he/she left the home based on the Medicaid Manual. Send the “Notice of Action (for AG)”.

See Chapter B - 7 for application procedures.

7.4.1.2. Redetermination/Change

Send a “Notice of Action (for AG)” to close AG case. Determine Medicaid eligibility based on the Medicaid Manual.

If an AG individual returns to the facility/home prior to the effective date of closure, the absence will not affect his eligibility or his grant amount.

See Chapter B - 8 for redetermination procedures and Chapter B - 9 for change procedures.

8. Relationship to SSI

AG is limited to individuals who are SSI recipients and those who meet all of the SSI eligibility requirements except for income. This requires that an individual’s SSI eligibility be evaluated. If an individual is ineligible for SSI for any reason other than income, the individual is ineligible for AG under SSI recipient policy guidelines.

The eligibility worker must determine if an individual has applied for SSI within the last 12 months and if so, the results of that application. Approval or denial of the application affects AG eligibility. If the individual has not applied for SSI within the last 12 months, the worker must determine if the individual must file an SSI application.

8.1. SSI Denial or Closure

If an AG individual has been denied SSI or the SSI case has been closed within the last 12 months due to any reason other than excess income, he/she is not eligible for AG. The SSI denial stands until a subsequent SSI decision is made.

8.1.1. Initial Application

Deny the AG application and determine Medicaid eligibility based on the Medicaid Manual. See Chapter B - 7 for application procedures.

If the individual's situation has changed and he/she appears eligible for SSI, recommend he/she reapply for SSI. Because the SSI denial stands until a subsequent decision is made, the AG application cannot be held pending beyond the 45 day processing period awaiting a new SSI decision.

8.1.2. Redetermination/Change

A Notice of Action (for AG) will be sent and the AG case will be closed. Determine Medicaid eligibility based on the Medicaid Manual. See Chapter B - 8 for redetermination procedures and Chapter B - 9 for change procedures.

8.1.3. SSI Granted Based On An Appeal

If AG is denied or closed because of an SSI denial/closure and SSI is later granted as the result of an appeal, the AG application must be reinstated and eligibility determined back to the original month of application or closure.

8.2. Mandatory Application for SSI

If the individual is not receiving SSI and has not applied for it within the last 12 months and he/she:

8.2.1. Does Not Appear To Meet SSI Income Standards

Individual is not required to apply for SSI. Eligibility for AG will be determined using the non-SSI individual eligibility rules.

8.2.2. Appears To Meet SSI Income Standards

The individual must apply for SSI. The worker must give the individual a dated written notice that he/she must apply for SSI and the date by which he/she must provide verification that he/she has applied. The individual will be given 15 calendar days to file the application and return verification of it to the agency. The 15 day period will begin the day following the day the written notice is hand delivered to the individual or two days after the notice is mailed to the individual.

Example:

The written notice to the individual is

- Hand delivered on the 2nd of the month, the application must be filed and verification provided to the agency by the 17th.
- Mailed on the 2nd of the month, the application must be filed and verification provided to the agency by the 19th.

8.2.2.1. Verification Of SSI Application

The individual must provide verification that he/she applied for SSI.

Acceptable verification:

- A “Receipt for Your Claim for Supplemental Security Income” issued to the individual by SSI.
- Other documents from SSI that verifies the applicant and application date.
- If the individual cannot provide verification of his application but states he/she has applied, the worker can verify the application by telephoning the Social Security Administration.

8.2.2.2. An SSI Application Was Not Filed Within 15 Days:**8.2.2.2.1. Initial Application**

Deny the AG application and determine Medicaid eligibility based on the Medicaid Manual.

See Chapter B - 7 for application processing procedures.

If the application is denied prior to the 45th day and proof of SSI application is received by the 45th day, the application must be reopened and eligibility determined. Use the procedure in Chapter C – 8.2.2.3.1.

8.2.2.2.2. Redetermination/Change

An Advance Notice of Proposed Action will be sent and the AG case will be closed.

Determine Medicaid eligibility based on the Medicaid Manual.

See Chapter B - 8 for redetermination processing procedures and Chapter B - 9 for change processing procedures.

If proof of SSI application is received before the effective date of closure, the case must be reopened and eligibility determined. Use the procedure in Chapter C – 8.2.2.3.1.

8.2.2.3.Application For SSI Was Filed Within 15 Days:

8.2.2.3.1. Initial Application

This requirement is met in the month the SSI application is filed. .

If the 15 days for making the SSI application ends during the month following the month of AG application, the worker will determine the individual's AG eligibility as a non-SSI individual for the month the AG application was filed.

Example: The AG application is filed on February 27. The SSI application is filed March 7. If the individual is found eligible for SSI beginning with March, the agency will determine whether the individual meets non-SSI AG eligibility requirements for February.

See Chapter B - 7 for application procedures.

8.2.2.3.2. Redetermination/Change

Process the redetermination/change. See Chapter B - 8 for redetermination procedures.

9. Citizenship and Alienage

An individual must be a United States citizen or a lawfully admitted alien to be eligible for AG. The individual must verify his status, sign the Affidavit of United States

Citizenship or Legal Presence in the United States and sign the Declaration of Citizenship/Alien Status form attesting to that status to meet this requirement. All citizens may be eligible but eligibility for aliens is limited to those that are determined "qualified aliens" as defined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

9.1. Declaration of Citizenship/Alien Status

The Immigration Reform and Control Act (IRCA) requires as a condition of eligibility that the adult applicant declare in writing under penalty of perjury whether or not he/she is a citizen of the United States, and if not a citizen, that the individual is a lawfully admitted alien. Individuals who fail or refuse to sign the "Declaration of Citizenship/Alien Status" are not eligible.

The declaration is part of the Application for Benefits and is completed by signing the application. The applicant or his authorized representative may sign the application/"Declaration of Citizenship or Alien Status" for the applicant.

9.2. Affidavit of United States Citizenship or Legal Presence in the United States

If an individual is unable to verify his/her citizenship/alien status **and** has not provided a valid Social Security number (SSN) but has provided proof of application for an SSN, he/she may sign an "Affidavit of United States Citizenship or Legal Presence in the United States" form and be considered to have met the citizenship/alien status requirements for a temporary period.

9.2.1. Temporary Eligibility Period

If all other eligibility factors are met, the individual may be eligible for either:

- Ninety days or until such time that it is determined that he/she is not legally present in the United States, whichever is earlier, or
- Indefinitely if the individual provides a copy of a completed application for a United States birth certificate that has been filed and is pending and is actively being pursued in any state, the District of Columbia, or U.S. territory, or commonwealth.
 - The temporary period will end upon the applicant's receipt of a birth certificate or a determination that a birth certificate does not exist or that the applicant is not a U.S. citizen.
- In most situations, the issuance of a birth certificate or a finding that none exists will occur within 60 days. Extensions beyond that period must be supported by verification from the issuing office of the reason for delay.

9.2.2. Overpayments

If it is found the individual is not a citizen or a legally present alien, the payments issued during the temporary period are overpayments due to the individual's error. See Overpayment, Chapter L, 5.2.

9.3. Citizenship And Naturalization

A citizen or naturalized citizen of the U.S. meets the citizenship requirement for AG eligibility. Verification of citizenship varies based on whether the individual was born inside or outside the United States.

9.3.1. SSI Recipient

SSI requires verification of citizenship prior to an individual's approval for an SSI payment. Verification that an individual is an SSI recipient verifies the individual's citizenship for AG. Verify the SSI recipient's SSI eligibility via SVES (State Verification Exchange System).

9.3.2. Non-SSI Individual

Citizenship must be verified by one of the documents listed in the chart below.

VERIFICATION OF CITIZENSHIP	
Document	Explanation
<p>A U.S. public birth record showing birth in:</p> <ul style="list-style-type: none"> • one of the 50 U.S. States; • District of Columbia; • Puerto Rico; • Guam (on or after April 10, 1899); 	<p>The birth record document may be issued by the State, Commonwealth, territory or local jurisdiction. It must have been issued before the person was 5 years of age.</p> <p>An amended birth record document that is amended after 5 years of age is not acceptable.</p> <p>NOTE: If the document shows the individual was born in Puerto Rico, Guam, the Virgin Islands of the U.S., or the Northern Mariana</p>

VERIFICATION OF CITIZENSHIP	
Document	Explanation
<ul style="list-style-type: none"> • Virgin Islands of the U.S. (on or after January 17, 1917); • American Samoa; • Swain's Island; or • Northern Mariana Islands (after November 4, 1986 NMI local time) 	<p>Islands before these areas became part of the U.S., the individual may be a collectively naturalized citizen.</p>
U.S. Passport	<p>Issued by Department of State. A U.S. passport does not have to be currently valid to be accepted as evidence of U.S. citizenship, but must show a validity period of five or more years.</p> <p>NOTE: Young children were sometimes included on a parent's passport through 1980. U.S. passports issued after 1980 show only one person.</p> <p>EXCEPTION: Do not accept any passport as evidence of U.S. citizenship when it was issued with a validity period of less than 5 years. These are called "limited" passports.</p>
Certification of Report of Birth (DS-1350)	<p>The Department of State issues a DS-1350 to U.S. citizens in the U.S. who were born outside the U.S. and acquired U.S. citizenship at birth, based on the information shown on</p>

VERIFICATION OF CITIZENSHIP	
Document	Explanation
	the FS-240. When the birth was recorded as a Consular Report of Birth (FS-240), certified copies of the Certification of Report of Birth Abroad (DS-1350) can be issued by the Department of State in Washington, D.C. The DS-1350 contains the same information as the current version of the Consular Report of Birth FS-240. The DS-1350 is not issued outside the U.S.
Consular Report of Birth Abroad of a Citizen of the United States of America (FS-240)	Issued by the Department of State Consular Office. A Consular Report of Birth can be prepared only at an American Consular Office overseas while the child is under the age of 18. Often issued to children born outside the U.S. to U.S. military personnel.
Certification of Birth Abroad (FS-545)	Before November 1, 1990, Department of State consulates also issued Form FS-545 along with the prior version of the FS-240. In 1990, U.S. consulates ceased to issue Form FS-545. Treat an FS-545 the same as the DS-1350.
United States Citizen Identification Card (I-197) or the prior version I-179	INS issued the I-179 from 1960 until 1973. It revised the form and renumbered it as Form I-197 and issued it from 1973 until April 7, 1983. The I-179 and I-197 were issued to naturalized U.S. citizens

VERIFICATION OF CITIZENSHIP	
Document	Explanation
	living near the Canadian or Mexican border who needed it for frequent border crossings. Although neither form is currently issued, either form previously issued is still valid.
American Indian Card (I-872)	DHS issues this card to identify a member of the Texas Band of Kickapoos living near the U.S./Mexican border. A code "KIC" and a statement on the back denote U.S. citizenship.
Northern Mariana Card (I-873)	INS issued the I-873 to a collectively naturalized citizen of the U.S. who was born in the NMI before November 4, 1986. The card is no longer issued, but those previously issued are still valid.
Certificate of Naturalization (N-550)	DHS issued Certificates of Naturalization through Federal and State courts until December 1990 and through administrative naturalization after December 1990. DHS issues Certificates of Naturalization to people who are individually naturalized.
Certificate of Citizenship (N-560)	DHS issues Form N-560, generally upon request, to individuals who derive U.S. citizenship through a parent.

VERIFICATION OF CITIZENSHIP	
Document	Explanation
Certificate of Citizenship (N-561)	DHS issues Form N-561 as a replacement Certificate of Citizenship when the original N-560 has been lost, mutilated, or the person's name has changed.
Certificate of Naturalization (N-570)	DHS issues Form N-570 as a replacement Certificate of Citizenship when the original N-550 has been lost, mutilated, or the person's name has changed.

9.3.2.1. Citizenship Documents Not Available

If such documents are not available, citizenship must be verified through the nearest United States Citizenship and Immigration Services (DHS). Locations and telephone numbers are:

Norfolk Field Office
5678 E. Virginia Beach Blvd.
Norfolk, Virginia 23502
Telephone – 800-375-5283

2675 Prosperity Ave.
Fairfax, Virginia 22031-4906
Telephone – 800-375-5283

9.4. Alien Immigration Status

Eligibility for aliens is limited to those that are determined qualified aliens as defined by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. That definition includes specific statuses that may qualify and identifies the additional requirements they must meet for eligibility. A chart identifying the requirements for an individual to be designated a qualified alien is in Chapter C - 9.4.3.1.

If an individual is not a qualified alien, he/she is ineligible for an Auxiliary Grant.

9.4.1. SSI Recipient:

SSI requires verification of an alien's immigration status prior to the individual's approval for an SSI payment. Verification that an individual is an SSI recipient verifies the individual's alien status for AG. Verify the SSI recipient's SSI eligibility via SVES (State Verification Exchange System).

9.4.2. Non-SSI Individual:

Verification of an alien's immigration status must be completed before eligibility can be established. Failure to provide the needed verifications will result in ineligibility for AG.

Verification is a multi-step process. The individual must provide information sufficient to establish his alien status and the eligibility worker must confirm that status through the DHS Systematic Alien Verification for Entitlements (SAVE) process.

Note: An alien's identity and alien status cannot both be verified by one document. Two documents are required, one for identity and one for alien status.

9.4.2.1. Verification

Step 1 - An alien must verify his immigration status by presenting the **original** version of an official document issued by the Department of Homeland Security (DHS). Photocopies of documents are not sufficient verification.

Review the documents provided and determine the action to take based on the following information.

If the alien has:

- A. Documents contain an A-Number in the "A60 000 000" or "A80 000 000" series, go to Step 3.
- B. Current DHS documents that verify his status go to step 2.
- C. An alien registration number but no DHS document verify his identity and go to Step 2.
 - If the alien does not provide verification of his/her identity, his immigration status cannot be

determined, and he/she must be considered an unqualified alien.

- D. No alien number and no DHS document, refer the individual to the DHS district office to obtain evidence of status. Give the individual a minimum of 10 days to provide verification of his status.
- Verification is provided, go to Step 2.
 - Verification is not provided, individual is not eligible for AG.
- E. An expired Resident Alien Card, I-551, go to Step 2.
- F. Any expired document other than an expired Resident Alien Card, I-551, go to Step 3.
- G. Only a letter from The DHS and the Office of Refugee Resettlement (ORR), it is necessary to obtain additional verification. These agencies issue letters that are used in lieu of or in conjunction with DHS forms to identify alien status. If the letter is the only document provided,
- For DHS letters, contact the local DHS office for assistance in identifying the alien's status. Go to Step 2.
 - For ORR letters, contact the toll-free ORR Trafficking Verification Line at 866-401-5510. Do not verify ORR letters via the SAVE system.
- H. DHS documents that do not have an Alien Registration Number (A Number) go to Step 3.
- I. A DHS Fee Receipt, go to Step 3.
- J. A Form I-181 or I-94 in a foreign passport that is endorsed "Processed for I-551, Temporary Evidence of Lawful Permanent Residence," and the I-181 or I-94 is more than one year old, go to Step 3.
- K. A DHS application for or a change in status form, go to Step 3.
- L. A document that raises a question of whether DHS contemplates enforcing departure, go to Step 3.

Step 2 – The worker must obtain verification of the alien’s status through the DHS Systematic Alien Verification for Entitlements (SAVE) online system and compare it to the original DHS documents. This is the primary step in the SAVE process.

Once information has been obtained through SAVE, aliens with a permanent status are no longer subject to the SAVE process. Aliens with a temporary or conditional status are subject to SAVE at the time of application and at the time the temporary or conditional status is to expire.

- A. Complete a SAVE online inquiry. You will need the individual’s
 - Alien registration number. It begins with an “A” and should be displayed on the alien’s DHS document.
 - Name
 - Country of Origin
- B. Compare the results with the original DHS document.
 - If discrepancies are noted, go to Step 3. No negative action may be taken based on the automated verification only.
 - If the primary verification coincides with the DHS documents, go to Step 4.
- C. If the primary verification generates the message “Institute Secondary Verification” or “No File Found,” go to Step 3.
- D. The primary verification document must be filed in the case record.

Step 3 - The worker must obtain written verification of the alien’s status from DHS. This is the secondary step in the SAVE process. SAVE regulations, require, unless otherwise noted in Step 1, that the primary step, automated access, be attempted prior to initiating secondary verification.

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- A. Once the requirement to obtain secondary verification is determined, the agency must initiate the request within ten workdays.
- B. The agency will complete the top portion of a Document Verification Request Form (Form G845S) <http://www.uscis.gov> and attach
- Legible copies of the front and back of the alien DHS documents
 - Copies of other documents used to make the initial alien status determination such as marriage records or court documents.

The attachments must be stapled to the upper left corner of the G-845S form.

Form G-845S should be completed as fully as possible by the submitting agency. It is essential that the form contain enough information to identify the alien.

The G-845S Supplement may be used to request the period of continuous presence in the U.S.A.

- C. A photocopy of the completed G-845S form and the attached documents must be retained in the case record as evidence that the form has been forwarded to DHS.
- D. Mail the form to the nearest U.S. Immigration and Naturalization Service (DHS). Locations and telephone numbers are:
- Norfolk Field Office
5678 E. VA Beach Blvd
Norfolk, Virginia 23502
Telephone – 800-375-5283
-
- 2675 Prosperity Ave.
Fairfax, Virginia 22031-4906
Telephone – 800-375-5283
- E. Agency Action

When it is necessary to initiate a secondary verification, there may be a considerable period before the results of the secondary verification are available. Federal regulation 42 USC 1320b-7 specifies, "Pending such verification, the state may not delay, deny, reduce, or terminate the individual's eligibility for benefits under the program on the basis of the individual's immigration status." If the applicant meets all other AG & Medicaid eligibility requirements, go to Step 4.

Step 4 – Aliens must meet 2 requirements to be eligible for AG

- The non-citizen must be in a "qualified alien" group and
- Meet the additional requirements defined for his specific qualified alien group.

The **Qualified Alien Groups & Eligibility Requirements** chart in Chapter C - 9.4.3.1 identifies the alien groups that are considered to be "qualified aliens" and spells out the additional requirements each qualified alien group must meet. The worker will use that chart to determine the alien's eligibility status.

A. Member of Qualified Alien Group

- If individual meets the additional requirements, he meets the non-financial alienage requirements.
- If individual does **not** meet the additional requirements, the individual does not meet alien requirements and is ineligible for AG. Determine the individual's eligibility for Medicaid Emergency Services based on the Medicaid Manual, Volume XIII

B. Not a Member of Qualified Alien Group

- The individual does not meet alien requirements and is ineligible for AG. Determine the individual's eligibility for Medicaid Emergency Services based on the Medicaid Manual, Volume XIII.

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9.4.3. Loss of Qualified Alien Status

DHS can rescind an alien's status, not renew a status that was granted for a finite period of time, or adjust the alien's status to a different status. A previously eligible qualified alien who ceases to meet the alien eligibility criteria loses AG eligibility effective with the month following the month in which the change in alien eligibility occurs.

Note: If questions arise regarding an alien status that is not addressed in this section, contact the DARS AG Program Consultant. The consultant will use SSI alien policy in the POMS manual to resolve the issue. The policy is located at <http://policy.ssa.gov> open document

9.4.3.1. Qualified Alien Groups & Eligibility Requirements

If the individual is:	Verified by:	Then he/she is:
An SSI Recipient	SVES	Always potentially eligible.
American Indian born in Canada who is at least 50% Indian blood or a non-citizen member of federally recognized Indian tribe.	<p>DHS Form I-551 with the code S13, or</p> <p>An unexpired temporary I-551 stamp (with the code S13) in a Canadian passport or on Form I-94.</p> <p>Does not have an DHS document:</p> <p>Satisfactory evidence of birth in Canada, and</p> <p>A document that indicates the percentage of American Indian blood in the form of a birth certificate issued by the Canadian reservation, or a letter, card or other record issued by the tribe.</p>	Always potentially eligible.
Lawfully Admitted for Permanent Residence (LAPR) , including Amerasian Immigrants as defined in section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988	<p><u>Amerasian Immigrants</u></p> <p>Obtain the immigrant's Form I-551 with the code AM1, AM2, or AM3 or passport stamped with an unexpired temporary I-551 showing a code AM6, AM7, or AM8.</p> <p>NOTE: Amerasians who enter the U.S. as non-immigrants, (e.g., foreign students pursuing studies in the U.S.) are not qualified aliens.</p>	<p>Potentially eligible only if the individual:</p> <p>Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or</p> <p>Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or</p> <p>Can be credited with 40 qualifying quarters (QQ) of work. **</p>

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	<p><u>Parolee Under Section 212(d)(5) of the INA for 1 Year or More</u></p> <p>Obtain a currently valid Form I-94 that indicates the bearer has been paroled pursuant to section 212(d)(5) of the INA, with an expiration date of at least 1 year from the date issued or indefinite.</p> <p><u>In LAPR Status, Alleges Entry as a Refugee</u></p> <p>A classification code of RE6, RE7, RE8, or RE9 on Form I-551 indicates admission as a refugee.</p> <p><u>In LAPR Status, Alleges Previous Asylum Status</u></p> <p>If the alien alleges having been granted asylum within the previous 7 years, contact DHS using Form G-845S and G-845S supplement with a copy of Form I-551 attached</p>	<p>(IMPORTANT: An LAPR alien who enters the U.S. on or after 8/22/96 cannot be eligible based on having 40 QQs for a 5-year period beginning on the LAPR alien’s date of entry into the U.S. as a qualified alien; (See below.***) or</p> <p>Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or</p> <p>If none of the above conditions is met, the LAPR may be eligible for a maximum of 7 years beginning with the date one of the following occurred:</p> <p>Entered the U.S. as refugee within the last 7 years; or</p> <p>Was granted asylee status within last 7 years; or</p> <p>Had deportation withheld under section 243(h) of the INA, or removal withheld under section 241(b)(3) of the INA, within the last 7 years; or</p> <p>Became a Cuban/Haitian entrant within the last 7 years; or</p> <p>Entered the U.S. as Amerasian immigrant within the last 7 years.</p> <p>***Establishing and Verifying 40 Qualifying Quarters (QQ) of Work</p> <p>Qualifying Quarters include those earned by the individual, earned by the individual’s spouse during their marriage, and those that were earned by the individual’s parents through the month the individual turned 18.</p> <p>Obtain the DHS documents of and a “Social Security Administration Consent for Release of Information” form from each individual whose quarters are being claimed. File the Releases in the case record. Complete a SVES 40 Quarters of Coverage inquiry on each. The</p>
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response will identify the QQ earned since 1978 but may not include the current year or two.

If the quarters from the missing period are needed to qualify, the individual must provide verification of the earnings. Compare the earnings received to the standards listed below. If the quarterly income equals or exceeds the quarterly standards, the quarter counts. If the yearly income exceeds the yearly standard, four quarters are counted.

Standards	Quarterly	Yearly
2018	\$1,320	\$5,280
2017	\$1,300	\$5,200
2016	\$1,260	\$5,040
2015	\$1,220	\$4,880
2014	\$1,200	\$4,800
2013	\$1,160	\$4,640
2012	\$1,130	\$4,520
2010-2011	\$1,120	\$4,480
2009	\$1,090	\$4,360
2008	\$1,050	\$4,200

If you need to compute quarters beyond what is shown in table, obtain the appropriate figures by going to <http://policy.ssa.gov/poms.nsf/lnx/0300301250>.

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		Total the QQ. If any of the individuals whose quarters are being counted received Food Stamps, TANF, Medicaid, or SSI during any claimed quarter beginning with 1-1-1997, that quarter cannot be counted and must be deducted from the total. If the remaining total meets or exceeds 40 QQ, the applicant is potentially eligible.
Refugee (sec. 207 of the INA)	Form I-94 annotated with stamp showing admission under section 207 of the INA. Derive the date of admission from the date of inspection on the Form I-94 refugee stamp. If the date is missing, verify with DHS.	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96 (SI 00502.142); or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply:</p> <ul style="list-style-type: none"> • Entered the U.S. as a refugee within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.
Asylee (sec. 208 of the INA)	Form I-94 annotated with stamp showing grant of asylum under section 208 of the INA, a grant letter from the Asylum Office, or an order of an immigration judge	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply:</p>

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		Was granted asylum within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.
<p>Deportation withheld (sec. 243(h) of the INA as in effect prior to 4/1/97), or removal withheld (sec. 241(b)(3))</p>	<ul style="list-style-type: none"> • Form I-688B annotated “274a.12(a)(10)”, or • Form I-766 annotated “A10,” or • The alien’s copy of the order from an immigration judge showing deportation withheld under section 243(h) of the INA as in effect prior to 4/1/97, or removal withheld under section 241(b)(3) of the INA. <p>Letter from asylum officer granting withholding of deportation under section 243(h) of the INA as in effect prior to 4/1/97 or withholding of removal under section 241(b)(3) of the INA</p>	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply:</p> <p>Was granted “withholding of deportation” or “withholding of removal” within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.</p>
<p>Conditional entrant (sec. 203(a)(7) of the INA as in effect prior to 4/1/80)</p>	<p>Form I-94 identifying the bearer as “REFUGEE-CONDITIONAL ENTRY” and a citation of section 203(a)(7) of the INA.</p> <p>NOTE: The alien may also have a refugee employment authorization document, Form I-688B annotated “274a.12 (a) (3)” or Form I-766 annotated “A3.”</p>	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member.
<p>Parolee (sec. 212(d)(5) of the INA) for a period of at least 1 year</p>	<p>Form I-94 with an expiration date of at least 1 year from the date issued or is indefinite.</p>	<p>Potentially eligible only if the individual:</p>

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		<ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96 (SI 00502.142); or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply:</p> <ul style="list-style-type: none"> • Became a Cuban/Haitian entrant within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.
<p>Battered alien, or alien whose child or parent is battered</p>	<p>DHS Form I-797 indicating:</p> <p>Case Type: I-130 or I-136</p> <p>Notice Type: Approval Notice</p> <p>Section:</p> <p>Sec. 204(a)(1)(A)(i) or</p> <p>Sec. 204(a)(1)(B)(i) or</p> <p>Sec. 204(a)(1)(A)(ii) or</p> <p>Sec. 204(a)(1)(A)(iii) or</p> <p>Sec. 204(a)(1)(B)(ii) or</p> <p>Sec. 204(a)(1)(A)(iv) or</p> <p>Sec. 204(a)(1)(B)(iii)</p> <p style="text-align: center;">OR</p> <p>Final Order of Immigration Judge or Board of Immigration Appeals granting suspension of deportation under sec. 244(a)(3) as in effect prior</p>	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member. <p>Is not living with the abuser. This must be verified.</p>

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	to 4/1/97 or cancellation of removal under sec. 240A(b)(2)	
Cuban/Haitian entrant under Section 501(e) of the Refugee Education Assistance Act of 1980	<p>CATEGORY 1</p> <ul style="list-style-type: none"> DHS Form I-94 with stamp showing parole at any time as “Cuban/Haitian Entrant (Status Pending)”, or DHS Form I-94 with stamp showing parole (other than for law enforcement purposes) into the U.S. on or after 4/21/80. <p>In addition, a national of Cuba or Haiti who has one of the following documents may be a Category 1B Cuban/Haitian entrant if the parole was for other than law enforcement purposes:</p> <ul style="list-style-type: none"> DHS Form I-688A annotated with codes “274a.12(a)(4)” or “274a.12(c)(11),” or DHS Form I-688B annotated with codes “274a.12(a)(4)” or “274a.12(c)(11),” or DHS Form I-766 annotated with code “A4” or “C11.” <p>CAUTION: An individual who has one of the following immigration documents <u>may or may not</u> be a Category 1 Cuban/Haitian entrant:</p> <ul style="list-style-type: none"> DHS Form I-551 (Alien Registration Card/Permanent Resident Card) with code CU6, CU7, or CH6; or Cuban or Haitian passport unexpired temporary I-551 stamp with code CU6, CU7, or CH6 <p>DHS Form I-94 with unexpired temporary I-551 stamp with code CU6, CU7, or CH6.</p>	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply:</p> <p>Became a Cuban/Haitian entrant within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.</p>
Cuban/Haitian entrant under Section 501(e) of the Refugee Education Assistance Act of 1980	<p>CATEGORY 2(B)</p> <ul style="list-style-type: none"> DHS Form I-221 (Order to Show Cause and Notice of Hearing); or 	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or

	<ul style="list-style-type: none"> • DHS Form I-862 (Notice to Appear), or • DHS Form I-122 (Notice to Applicant Detained for a Hearing Before an Immigration Judge) <p>CAUTION: Do not accept copies of DHS forms, such as Form I-589 (Application for Asylum and Withholding of Removal), or I-485 (Application to Register Permanent Residence or to Adjust Status) or other application for immigration relief date stamped by EOIR. According to DHS, copies of documents have no probative value.</p>	<ul style="list-style-type: none"> • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply: Became a Cuban/Haitian entrant within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.</p>
<p>Cuban/Haitian entrant under Section 501(e) of the Refugee Education Assistance Act of 1980</p>	<p>CATEGORY 2(C)</p> <ul style="list-style-type: none"> • DHS receipt for filing Form I-589 (Application for Asylum and Withholding of Removal); or • Unexpired DHS employment authorization document (DHS Forms I-688A, I-688B or I-766) with code “274a.12(c) (8)” or “C8.” <p>CAUTION: Do not accept copies of DHS forms, such as Form I-589 (Application for Asylum and Withholding of Removal) or I-485 (Application to Register Permanent Residence or to Adjust Status). According to DHS, copies of documents have no probative value.</p> <p>NOTE: Submit an SSA-8510 signed by the claimant to DHS with request for verification if an application for asylum is involved</p>	<p>Potentially eligible only if the individual:</p> <ul style="list-style-type: none"> • Is blind or disabled and was lawfully residing in the U.S. on 8/22/96; or • Is lawfully residing in the U.S. and was receiving AG or SSI benefits on 8/22/96; or • Is a veteran or active duty member of the Armed Forces; or is the spouse or dependent child of a veteran or active duty member; or <p>If none of the above conditions apply: Became a Cuban/Haitian entrant within the last 7 years, then eligibility limited to a maximum of 7 years from the date of status.</p>

10. Application For Other Benefits

A **non-SSI** individual must take all necessary steps to apply for and obtain any other financial benefits to which he/she is entitled based on his own activities or through his family circumstances if:

- Applying for the other benefit would result in additional income which could affect the individual's eligibility or payment amount and
- The benefits or assistance is not based on the individual's need.

Note: Payments such as child support, alimony, accelerated life insurance, etc., are not program benefits for which an individual must file.

Note: SSI recipients have met this requirement in the SSI application process.

10.1. Types Of Benefits For Which An Individual Must Apply

Programs to which an individual may be entitled and for which he/she must apply, if he/she appears to be entitled, include both public and private funds. Annuities, pensions, retirement, insurance benefits, and disability benefits are examples of these.

10.1.1. Major Benefit Programs

Major benefit programs to which an individual may be entitled and for which he/she must apply, if he/she appears to be entitled, include but are not limited to:

- Veterans' Compensation and Pensions, including apportionment of augmented dependents' benefits;
 - An individual is required to file for apportionment (direct payment) of an augmented VA benefit if he/she:
 - is the spouse of a living veteran and the veteran or surviving spouse receives VA compensation, pension, or educational benefits; and
 - does not reside with the designated beneficiary, the veteran; and
 - has not been denied apportionment since living apart from the designated beneficiary
- Social Security Title II Benefits (RSDI – Retirement, Survivors, and Disability Insurance)
- Railroad Retirement Benefits
- Unemployment Compensation
- Worker's Compensation
- Black Lung Benefits
- Civil Service and Federal Employee Retirement System Benefits

- Military Pensions

10.1.2. Other Benefits

Other benefits to which an individual may be entitled and for which he/she may have to apply, if he/she appears to be entitled, include but are not limited to the following.

- Private insurance company disability and income protection benefits when the individual has such a policy
- Private pension plan benefits
 - If an individual is eligible for periodic retirement benefits, he/she must apply for those benefits to be eligible for AG. If he/she has a choice between periodic benefits and a lump sum, he/she must choose the periodic benefits.
- Union benefits

10.1.3. Identify Potential Eligibility For Other Benefits from:

- Information obtained from the interview, including responses to leading questions.
- The individual's responses on an application.
- Inquiries received from another agency.
- Agency knowledge of pension plans and benefits.
- Third party reports.
- Computer system inquiries.

10.2. Steps to Meet Requirement

The necessary steps include

- Applying for the other benefit,
- Providing the source of the other benefit with the necessary information to determine the individual's eligibility for the benefit, and
- If found eligible, accepting payment.

10.3. Procedure

The worker must give the individual a dated written notice that he/she must apply for other benefits for which he/she is potentially eligible. The written notice must list the specific benefits for which the individual must apply and the date by which the application must be filed.

The individual will be given 30 days from the date of his receipt of the written notice to apply for the specified benefits. If the notice is mailed, the date of receipt will be assumed to be 5 days after the date shown on the notice.

Note: If the individual is otherwise eligible, do not delay processing the case pending evidence of the individual's compliance.

10.4. Application Is Verified

Check with the other benefit source or the individual, at the end of the 30 day period for filing to:

- Determine if there has been a final decision to approve or deny the claim, and
- Confirm that the claimant is cooperating in pursuit of the claim, and
- Document the file with the response. See Chapter B - 9 for change processing procedures.

If there has been no decision in the initial 30 days and the individual is not at fault, continue to follow up with the benefit source or the individual at 30-day intervals. Document the case regarding follow-ups and the final decision. Reevaluate eligibility when the final decision is received.

10.5. Good Cause

An individual meets this requirement, despite failure to apply for other benefits or take other steps necessary to obtain them, if the individual has good cause for not doing so. For example, good cause exists if any one or more of the following situations apply. If good cause exists, document the case record.

- The individual is unable to apply for other benefits because of illness.

Accept the individual's signed statement regarding the illness and schedule a follow-up for when the individual is expected to improve.

- It would be useless to apply because the individual had previously applied and the other benefit source turned him down for a reason that has not changed.

Accept the individual's signed statement regarding the denial unless there is evidence to the contrary.

- The other benefit is no longer available. The reasons for unavailability may include a limited period for filing that has expired or contributed funds were withdrawn prior to the AG eligibility determination period.

The individual must provide verification from the other benefit provider that the filing period has expired.

Accept the individual's signed statement regarding the withdrawal unless there is evidence to the contrary.

10.6. Failure To Comply Without Good Cause

If the individual refuses to apply for a benefit or refuses to accept a benefit to which the individual is entitled, the individual will be ineligible for AG and Medicaid.

10.6.1. Initial Application

Deny the AG and Medicaid application and send a Notice of Action (for AG) to the applicant and his representative.

If proof of SSI application is received after the denial but within the 45 day processing period, the application must be reopened and eligibility determined. See Chapter B - 7 for application processing procedures.

10.6.2. Redetermination/Change

A Notice of Action (for AG) will be sent and the AG and Medicaid case will be closed.

If proof of SSI application is received after the closure but before the effective date of closure, the case must be reopened and eligibility determined. See Chapter B - 8 for redetermination processing procedures and Chapter B - 9 for change processing procedures.

10.6.3. Payments Excluded From Requirement to Apply

Payments such as child support, alimony, accelerated life insurance, etc., are not benefits for which an individual must apply.

11. Assignment Of Rights And Cooperation

To be eligible for Medicaid, an individual must:

- Assign his rights to medical support and payment for medical care from any third party to the Department of Medical Assistance Services (DMAS),
- Cooperate with the agency in identifying (to the extent he/she is able) potentially liable insurers and other third parties, and
- Provide information to assist DMAS in pursuing payments from any third party who may be liable to pay for the individual's care and medical services.

The assignment of rights agreement is included in the “Application for Benefits”.

- By signing the application form the applicant is agreeing to assign his rights and meets the initial requirements.

Note: Assignment of rights is not an eligibility factor for AG.

11.1. Good Cause

A waiver of the requirement to cooperate in identifying and providing liable third party information is allowed if the individual claims good cause for not cooperating and the agency finds that good cause does exist. Good cause will exist when cooperation will result in reprisal against or cause physical or emotional harm to the individual.

The case record must be documented to reflect the reason the individual believes harm will occur and information to support the agency findings.

11.2. Unable To Assign Rights

If the individual is unable to assign his/her rights, a spouse, legally appointed guardian or conservator, attorney-in-fact (person who has the individual's power-of-attorney), or the representative can make the assignment. The failure of this person to assign the individual's rights will not affect the individual's eligibility for Medicaid.

11.3. Refusal To Assign Rights Or Cooperate

If an individual does not comply with the assignment of rights and cooperation requirements, he/she will remain AG eligible but will not be Medicaid eligible.

11.3.1. Initial Application

If otherwise eligible, approve AG and deny Medicaid. Send a Notice of Action that reflects the AG and Medicaid actions.

See Chapter B - 7 for application procedures.

11.3.2. Redetermination/Change

Send an Advance Notice of Proposed Action to close the Medicaid case.

See Chapter B - 8 for redetermination procedures and Chapter B - 9 for change procedures.

11.4. Medicaid Manual Reference

Refer to Medicaid assignment of rights in - M0250.-100 for additional clarification.

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Non-SSI Income Sources - Introduction

An individual's monthly income is one of the factors which determine his/her eligibility for AG and the amount of AG benefits he/she will receive. Income eligibility is determined by totaling an individual's income, subtracting permitted exclusions and comparing the result to the appropriate AG rate for the area in which the ALF/AFCH is located. Income eligibility and the grant payment amount are determined in the same step. See Grant Computation Chapter J.

This chapter addresses the types of earned income and unearned income that a **non-SSI** individual may receive and how each of those types are evaluated and counted in determining the individual's AG eligibility. This chapter is organized to present general information regarding income first and detailed instructions on specific income types second. **General** information is presented in **Sections 1 through 9** and specific income types are presented in **alphabetical order** in **Sections 10 through 70**. Exclusions that apply to specific income types are addressed in the sections that apply to the specific income type. General exclusions that apply to multiple types of earned or unearned income are addressed in Chapter H.

Note: This chapter **DOES NOT** apply when evaluating an SSI recipient's income eligibility or payment. See Chapter D.

Note: If an identified source of income is not addressed in this chapter, contact the AG consultant for guidance. The consultant will review the SSI manual and provide clarification.

<http://policy.ssa.gov/poms.nsf/subchapterlist!openview&restricttcategory=05008>

1. What Is Income

Income is **any item** an individual receives in **cash or in real or personal property** that can be used to meet his or her need for food or shelter. This includes the receipt of any item which can be applied, either directly or by sale or conversion, to meet basic needs of food or shelter.

Income may be received in either of two forms:

- **Cash**—Currency, checks, money orders, or electronic funds transfers (EFT), such as:
 - Social security checks
 - Unemployment compensation checks
 - Payroll checks or currency

- **Property (Other In-Kind Income)**

Non-cash items such as:

- Real property
- Personal property

2. Relationship of Income to Resources

An item received in the current month is income for the current month only. If held by the individual until the following month, that item is subject to resource counting rules.

Example

Mr. Jones receives a dividend check for \$300 at the end of May. He spends \$150 immediately and deposits the remaining \$150 in his savings account. His income for May is \$300. The June 1 evaluation of Mr. Jones' resources includes (for the first time) the \$150 he saved.

2.1. Conversion Or Sale Of A Resource

Not Income

When a resource is sold, exchanged, or replaced, one resource has been exchanged for another. The item received is evaluated as a resource.

Receipts from the sale, exchange, or replacement of a resource are **not income** but are resources that have changed their form. This includes any cash, real property or personal property that is provided to replace or repair a resource that has been lost, damaged, or stolen.

Example

Jerry Wallace sells his 1974 Plymouth Satellite for \$300. The money he receives is not income but a resource which has been converted from one form (a car) to another form (cash).

2.1.1. Verification

Verification of the conversion and the new resource is required for resource evaluation. See the chapter that addresses the new resource type.

3. **What Is Not Income**

Some items received by an individual are **not income** because they do not meet the definition of income. An item received is not income if it cannot be used or sold to obtain food or shelter. The following items are **not income**.

Bills Paid By a Third Party – Exception: Some payments made to an ALF/AFCH, see section 14 of this Chapter.

Conversion or Sale of a Resource

Credit Life or Credit Disability Insurance Payments

Food or Shelter

Income Tax Refunds

Medical and Social Services Related Cash

Personal Services

Proceeds of a Loan

Rebates and Refunds

Replacement of Income Already Received

Return of Erroneous Payments

Weatherization Assistance

Each of these types is addressed in a section within this chapter.

4. **Types of Income**

Income is either **earned or unearned**, and different rules apply to each.

4.1. **Earned Income**

Earned income consists of the following types of payments:

- **Wages**

- Wages are what an individual receives (before any deductions) for working as someone else's employee.
- **Net Earnings From Self-Employment**
- **Payments For Services Performed In A Sheltered Workshop Or Work Activities Center**
- **Royalties** earned by an individual in connection with any publication of his/her work and
- **Honoraria** received for services rendered.

4.2. **Unearned Income**

Unearned income is all income that is not earned income. Some types of unearned income are:

- Annuities, Pensions, And Other Periodic Payments
- Alimony And Support Payments
- Dividends, Interest, And Royalties (Except For Royalties Mentioned Above)
- Rents
- Benefits Received As The Result Of Another's Death
- Prizes And Awards
- Real And Personal Property

4.3. **Stable Vs. Fluctuating Income**

Stable income is income that does not vary in amount from month to month. Fluctuating income is income that varies in amounts or frequency of receipt from month to month. This distinction impacts how often income is verified and reconciled and the methods used for anticipating future income.

- Unearned income may be stable or fluctuating. It is stable if the amount and frequency of receipt is the same each month.
- Earned income is always evaluated as fluctuating income.

5. Value Of Income

5.1. Cash

The value of cash income is generally the amount of the currency or the face value of checks, money orders or electronic fund transfers (EFT) the individual receives.

5.2. Real Or Personal Property

Any item of real or personal property an individual receives which he can sell or convert is called "other in-kind income." The value of other in-kind income is generally equal to its current market value. See the resource chapter that addresses the type of property received to determine the current market value of the item.

6. When Income Is Counted

Income is counted at the **earliest** of the following points:

- When it is received; or,
- When it is credited to an individual's account; or
- When it is set aside for his or her use.

Determine countable income monthly and count it in the month it is received.

6.1. Mailing Time/ Date Of Receipt

When a payment is mailed, assume that the payment is received 5 days after the mailing date unless the individual alleges a different date, in which case accept any credible allegation.

6.1.1. Exceptions

Occasionally, a regular periodic payment (e.g., wages, title II, or VA benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, consider the funds to be income in the normal month of receipt.

The most common situations where this applies appear below.

6.1.1.1. Advance Dated Checks

When a payer advance dates a check because the regular payment date falls on a weekend or holiday, there is no intent to change the normal delivery date or to disrupt the existing relationship between check receipt and AG benefits.

Whenever such an advance dated check is received, consider it income to the recipient in the month of normal receipt.

6.1.1.2. Electronic Funds Transfer (EFT)

When an individual's money goes to a bank by direct deposit, the funds may be posted to the account before or after the month they are payable.

Whenever this occurs, treat the electronically transferred funds as income in the month of normal receipt.

6.1.1.3. Documentation

When income is counted in a month other than the month that evidence in the file shows the income was actually received, document the file with the reason.

Example: A company sends out its retirement pension checks so that they arrive on the first day of each month. However, because January 1, 2016 is a holiday, the checks are delivered on December 30, 2015. The AG claimant brings in his pension check as evidence of his income, and explains that he also received a pension check on December 1.

The worker determines that the amount of the December 30 check is income in the normal month of receipt (January 2016) and documents that the check is counted as income for January rather than December because the normal delivery date was a holiday.

7. **Countable Income (CI)**

Countable income is the total amount of earned and unearned income remaining after:

- Eliminating all amounts that are **not income**; and
- Applying all appropriate **exclusions** to the individual's gross income.

7.1. **Determining Countable Income**

Use this procedure to determine the individual's total countable income.

STEPS	Determining Countable Income ACTIONS
Step 1	<p>Does the individual have unearned income?</p> <p>Yes – Go to Step 2</p> <p>No – Go to Step 9</p>
	<p>Calculate The Countable Unearned Income.</p> <p>The Unearned Income Exclusions Must be Applied In The Following Order</p>
Step 2	<p>Exclude unearned income items that are defined as Not Income. These are identified in the section that addresses the specific income.</p>
Step 3	<p>Apply the exclusions that are specific to each income type. These are identified in the section that addresses the specific income.</p> <p>(Example – Exclude the portion of educational grants that are used for educational expenses.)</p>

STEPS	Determining Countable Income ACTIONS
Step 4	<p>Apply the Infrequent Or Irregular Exclusion. (A max of \$60 of unearned income may be excluded in a quarter)</p> <p>Do not apply the infrequent or irregular exclusion to an amount remaining after another exclusion has been applied to a particular type of income (e.g., the remaining amount of educational grants after the educational expenses have been excluded).</p>
Step 5	Deduct the Expenses Of Obtaining Unearned Income from the related income
Step 6	Total the unearned income.
Step 7	Apply the \$20 General Income Exclusion .
Step 8	<p>The result is the countable unearned income.</p> <p>Does the individual have earned income?</p> <p>Yes – Go to Step 9</p> <p>No – Go to Step 19</p>
	<p>Calculate The Countable Earned Income.</p> <p>The Earned Income Exclusions Must be Applied In The Following Order</p>
Step 9	Apply the exclusions that are specific to the type of income being received. These exclusions are in the section that addresses each income type.
Step 10	<p>Apply the Infrequent Or Irregular Exclusion.</p> <p>(A max of \$30 earned income may be excluded in a quarter)</p>

STEPS	Determining Countable Income ACTIONS
Step 11	Total the earned income.
Step 12	Deduct any portion of the \$20 Monthly General Income Exclusion which was not used to exclude unearned income in the same month
Step 13	Deduct \$65 of Earned Income in a month
Step 14	Deduct the Impairment-Related Work Expenses (IRWE) Of Disabled Individuals
Step 15	Deduct One-half of remaining earned income in a month
Step 16	Deduct the Blind Individuals (BWE) Work Expenses
Step 17	The result is the total earned income.
Step 18	Total the countable earned and unearned income.
	The Combined Income Exclusions Must be Applied In The Following Order
Step 19	Deduct the Community Expenses Exclusion
Step 20	<p>Does the individual have a spouse and a minor child or a minor child at home?</p> <p>Yes - Deduct the Spouse and Child/Child At Home Exclusion. Go to Step 22.</p> <p>No – If the individual has a spouse but no child at home go to Step 21. If the individual does not have either a spouse or child at home, go to Step 22.</p>

STEPS	Determining Countable Income ACTIONS
Step 21	Deduct the Spouse At Home Exclusion
Step 22	Deduct the Guardianship Fee Exclusion
Step 23	Total the countable earned and unearned income. The result is the total countable income to be used in determining AG eligibility and the payment amount.

8. Income Verification

Income must be verified at initial application, when changes occur, at redetermination, and periodically throughout the life of the case.

8.1. Applicant's/Recipient's Responsibility

Applicants and recipients (or their representative payees) are responsible for providing the worker with proof of income and for reporting any changes in income. The worker will help individuals to obtain any needed documents they do not have. However, if neither the individual nor the worker can obtain the verifications, the application will be denied/closed.

8.1.1. Exception - Alleged Excess Income

If the applicant declares total income in excess of the ALF/AFCH Limit (the ALF/AFCH rate plus the personal needs allowance), use the declaration to complete an income computation allowing all appropriate disregards. If income ineligibility exists, no further verification is needed. Deny the case due to excess income. If the computation shows that income eligibility may possibly exist, request all needed verifications, and process as normal.

8.2. Verification Periods

The individual must verify the actual amount of income he/she received within the verification period. The verification period is determined by the stability of the amount of income received.

8.2.1. Stable Income

To meet the definition of stable income, the source and amount received must be the same each month.

The verification period for stable income is the month prior to the month of application/redetermination or the month the income is reported.

8.2.2. Fluctuating Income

To meet the definition of fluctuating income, the source or amount received must vary from month to month.

The verification period for fluctuating income will be the three months prior to the month of application/redetermination/change and every three months throughout the period the fluctuating income is received.

The total monthly countable income received in the verification period is averaged and used to project future months' income.

If the income received in the three month verification period is not representative of the income expected to be received, the worker will work with the client to determine the period that will give the best reflection. That period will be the verification period.

Documentation in the case record must include how the verification period was determined.

Note: All earned income is considered fluctuating income.

8.3. Verification Sources

See the instructions for the particular type of income involved for additional verification requirements and appropriate verification sources.

9. Projection Of Income

Ongoing AG payments are issued at the first of the month to cover the individual's needs for the issuance month. This early issuance cycle requires that the payment be based on projected income. Income received in a prior period is used to predict what the individual will receive in the future. The prior period is the verification period.

Income is projected for future months beginning with the month of application or the month the income is reported. If a change occurs and is verified during the projection period, the projected income must be recomputed.

This information is applicable to both earned and unearned income.

Note: All payments that are issued based on projected income must be reconciled periodically. Reconciliation of prior payments is using the actual income received to recalculate the payment amount for each month for which a projected amount of income was used and correcting any over or underpayments that occurred. Reconciliation guidelines are in Chapter J – Grant Computation and Issuance.

9.1. **Stable Income**

The total monthly countable income received in the verification period will be used as the amount projected to be received for each month until the next redetermination or until a change is reported. If a change occurs and is verified during the projection period, the projected income must be recomputed.

Note: The actual income is **not** converted to a monthly figure based on 4.3 weeks.

9.2. **Fluctuating Income**

Actual income received in the verification period is used to project future fluctuating income by averaging the income received and converting it to a monthly figure. That figure is the monthly countable income and will be used as the amount projected to be received for each of the next four months. If a change occurs and is verified during the projection period, the projected income must be recomputed.

9.2.1. **Averaging Income**

- Determine the frequency of payments.
- Total the verified income and divide it by the number of payment periods in the verification period.

- The result is the average income per payment period.
- Convert the average payment period amount to a monthly average by multiplying it by the conversion factor that corresponds to the frequency of the payment period (weekly, bi-weekly, etc). The average monthly payment is the amount that will be used as the projected income.

9.2.1.1. Conversion Factors

For projection purposes, an average month is 4.3 weeks.
To convert to monthly income:

- Multiply weekly income by 4.3; or
- Multiply biweekly income by 2.15, or
- Multiply semi-monthly income by 2.

10. ABLE Account Disbursements

Not Income/Disregard

Achieving a Better Life Experience (ABLE) accounts are for eligible individuals living with disabilities. The accounts are administered by Virginia529. Any money in the account is excluded up to \$500,000 as a state exemption and is not a countable resource in determining eligibility for AG applications, reapplications, and/or renewals.

Disbursements for qualified disability expenses of the beneficiary from these accounts are disregarded. The amount disbursed will not be considered as countable income to the beneficiary.

10.1. Exclusion

Up to \$500,000 of an ABLE account balance is excluded as a resource. Disbursements or withdrawals from this account for qualified expenses related to maintaining the health, independence, and quality of life of the beneficiary are also excluded as a resource and income.

10.2. Verifications

Beneficiaries of the ABLE account are not issued paper statements unless a special request is submitted to Virginia 529 with the agreement to pay a fee for

mailing. Beneficiaries are able to view their account online. Acceptable verification will be documents printed by the beneficiary from a computer that shows the following:

- PNC Bank as the financial institution
- Identifiable markers stating “ABLE” account
- Name of the beneficiary/account holder
- Balance in the account
- Date of the account balance

Note: Should the worker consider the document submitted to be questionable, additional verifications may be requested to prove the account is eligible for exclusion.

11. **Alimony And Spousal Support**

Unearned Income

Alimony or spousal support (sometimes called “maintenance”) is an allowance for support made by a court from the funds of one spouse to the other spouse in connection with a suit for separation or divorce or support may be made voluntarily.

Alimony and spousal support payments are cash or certain in-kind contributions to meet some or all of a person’s needs for food, clothing, or shelter.

11.1. Income Treatment

Alimony and spousal support payments made in cash or real or personal property are **unearned income** to the individual and are subject to the unearned and general income exclusions.

11.2. Verification

Verify the amount and frequency of alimony or spousal support payments. Accept the individual’s allegation of relationship of the payer to the payee unless you doubt the allegation.

Verification may include:

- Court records;

- Records of the agency through which the payments are made;
- Official documents in the individual's possession (e.g., legal documents) that establish the amount and frequency of the support;
- A statement from the source of the payment containing the amount and frequency of the alimony or spousal support.

11.2.1. Verification Not Available

If none of the above verifications is available, accept the individual's signed allegation over a penalty clause.

12. Annuity Payments

Unearned Income

An annuity is a sum paid yearly or at other specific times in return for the payment of a fixed sum. Annuities may be purchased by an individual or by an employer. An annuity is a contract reflecting payment to an insurance company, bank or other registered or licensed entity by which one receives fixed, non variable payments on an investment for a lifetime or a specified number of years.

12.1. Income Treatment

See Chapter I – 56, Retirement Funds to determine the countability of annuities.

13. Assistance Based On Need (ABON)

Excluded Income

ABON is assistance:

- Provided under a program which uses income as a factor of **eligibility**; and
- Funded **wholly** by a State (including the District of Columbia, Indian tribes and the Northern Mariana Islands), a political subdivision of a State, or a combination of such jurisdictions
 - Example - General Relief **Note:** If a program uses income to determine payment amount but not eligibility, it is not ABON (e.g., some crime victims' compensation programs).

13.1. Income Treatment

Assistance based on need is totally excluded from income.

13.2. Verification

- Use **documents** in the individual's possession or contact the administering agency to **determine** the program under which the assistance is provided.
- **Verify** with agency personnel and/or program descriptions that no Federal or private funds are involved and that the program uses income in arriving at eligibility determinations.

Note: If evidence establishes that the assistance is excludable under this provision, it is not necessary to verify the amount of assistance and when it was received.

14. Awards

Unearned Income

An award is usually something received as the result of a decision by a court, board of arbitration, or the like.

14.1. Income Treatment

An award received in cash or in real or personal property is unearned income and is subject to the unearned and general income exclusions.

14.2. Verification

Use documents in the individual's possession or contact with the court, board, source, etc. to verify:

- The amount of the award;
- The payment date; and,
- The purpose(s) of the payment (e.g., part of the payment is reimbursement for medical expenses).

14.2.1. *Value Of Award*

Accept an individual's signed estimate of the value of the award (or actual value if cash) unless you have reason to doubt the estimate. If you doubt the estimate, determine the item's current market value (CMV) with an independent source.

15. Payments Made by a Third Party

Not Income/Unearned Income

A third-party payment is payment of an individual's bills (including supplementary medical insurance under title XVIII or other medical insurance premiums) by a third party with the third party's funds when the payment is made directly to the supplier.

A third-party payment also can be a voluntary payment for goods and services beyond those required by the Auxiliary Grant (AG) program for maintenance and care on behalf of an AG recipient in an assisted living facility (ALF) or adult foster care home (AFCH).

These payments shall be strictly voluntary on the part of the third party and shall not be a condition of admission, length of stay or care and services.

Income Treatment

Payment of an individual's bills by a third party directly to the supplier or to the ALF/AFCH is **not** considered **income**.

ALFs and AFCHs may accept payments made by third parties for additional goods or services provided to an AG recipient, and the payment **must not** be included as income for the purpose of determining eligibility or calculating the amount of an AG, provided that all of the following conditions are met:

- 1) The payment must be made directly to the ALF or AFCH by the third party on behalf of a specific AG recipient in the ALF or AFCH; after the goods or services have been provided, and the goods or services provided has been documented and the amount of the payment.
- 2) The payment must be made voluntarily by the third party, and not in satisfaction of a condition of admission, stay or provision of proper care and services to the AG recipient, unless the AG recipient's physical needs exceed the services required to be provided by the ALF as a condition of participation in the AG program pursuant to subsection C as defined in §51.5-160 of the Code of Virginia.
- 3) The payment must be for goods and services provided to the AG recipient other than food, shelter, or specific goods or services required to be provided by the ALF or AFCH as a condition of participation in the AG program pursuant to § 51.5-160.

Example

Joshua Hall, an AG recipient, is unable to pay his phone bill, so his sister pays the phone company with her own money. The payment to the phone company is not income.

Example

Jennifer Henry, an AG recipient, is unable to pay for cable television at the ALF, so her brother pays the ALF voluntarily from his own money for Jennifer's cable television. The payment to the ALF is not income because it is a service rendered beyond what is required for maintenance and care by the AG program.

15.1.1. Exception - Third-Party Payment To ALF/AFCH

Any money paid to the ALF/AFCH home to cover goods and services prior to the services being rendered or if the service and/or goods are already covered by the maintenance and care agreement for the program will be counted as income and any carryover funds will be considered a resource. Therefore, the income is subject to the unearned and general income exclusions.

ALFs and AFCHs must provide each AG recipient with a written list of the goods and services covered by the AG pursuant to subsection C of § 51.5-160 of the Code of Virginia, including a clear statement that the facility may not charge an AG recipient, the recipient's family or other interested party additional amounts for goods or services included on such list.

Example

John Smith, an AG resident, resides in a private room in an ALF. His mother pays an additional \$200 per month for his room and board. His monthly ALF rate is \$1,336, which is over the established AG rate of \$1,136. Room and board are a set rate and covered as a service under the maintenance and care agreement for the AG program. This would not be an allowable third-party payment. The \$200 will be counted as income.

Example

Daisy Harris pays the ALF in May for a trip to Kings Dominion for her son that is scheduled for the month of July. She gives the ALF \$75 for the bus trip. The money paid is income for the month of May as the service has not yet been rendered. In the next month (June), it will be considered a resource. If, however, Mrs. Harris pays the ALF in July for a trip to Kings Dominion that will occur in

July, it would be an allowable third-party payment as it would not be an advance payment that would be considered income.

15.2. Verification

15.2.1. Third Party Payment To ALF/AFCH

Use documentation in the individual's possession or contact the source of the payment to verify the type, source, frequency, and amount of payment. Goods and services provided must not include food, shelter or services required by subsection C of § 51.5-160 of the Code of Virginia. See Chapter J- 3.1 of this manual for more information on covered services for ALF/AFCH.

ALFs and AFCHs must document all third-party payments received on behalf of an AG recipient, including the source and amount of the payment and the goods and services for which such payments are to be used. Documentation related to the third-party payments shall be provided to the Department of Social Services upon request.

15.2.2. Other Third-Party Payments

Verification is not required, unless questionable. If questionable, use documentation in the individual's possession or contact the source of the payment to verify the type and source of payment.

16. Black Lung Benefits

Unearned Income

Black Lung (BL) benefits are paid to miners and their survivors under the provisions of the Federal Mine Safety and Health Act (FMSHA). Benefits under **Part B** of the FMSHA are paid by the **Social Security Administration** (SSA) and benefits under **Part C** of the FMSHA are paid by the **Department of Labor** (DOL).

16.1. Income Treatment

BL benefit payments are unearned income and are subject to the unearned and general income exclusions.

16.1.1. Countable BL Income

The amount of the BL benefit to count as income is the amount paid after application of an offset (i.e., workers' compensation offset or work deductions) but before the collection of any obligations of the

individual (unless the overpayment related double counting exception applies. See Overpayments – Section 37 of this chapter).

16.2. Payment Dates

In general, Part B benefits are paid on the third of the month while Part C benefits are paid on the fifteenth of the month.

16.3. Verification

Verify the receipt of Part B or Part C BL benefits with the individual's own records (such as an award notice or check).

17. Cafeteria Benefit Plans

Not Income/Earned Income

A cafeteria plan is a written benefit plan offered by an employer in which participants can choose cafeteria-style, from a menu of two or more cash or qualified benefits.

Income Treatment

17.1.1. Qualified Benefits

A qualified benefit is **not income**. Qualified benefits include, but are not limited to:

- Accident and health plans (including medical plans, vision plans, dental plans, accident and disability insurance);
- Group term life insurance plans;
- Dependent care assistance plans; and
- Certain stock bonus plans under section 401(k)(2) of the IRC (but not 401(k)(1) plans).

17.1.1.1. Verification

Verification is not required.

17.1.2. Cash Received Under A Cafeteria Plan

Cash received under a cafeteria plan **in lieu of benefits** is **wages** and is subject to the earned and general income exclusions. Evaluate as wages. See Chapter I – 75.

Cash received as **reimbursement** for qualified-benefit expenses, such as child care, is **not income**.

17.1.2.1. Verification

The cash paid will be reflected in the total gross income. See Wages Chapter I – 75 for verification methods.

18. Child Support Payments

Unearned Income

A child support payment is a payment from a parent to or for a child to meet the child's needs for food, clothing, and shelter. Child support can be in cash or in-kind. It can be voluntary or court-ordered.

Minor Child

A child is an individual's son or daughter who is neither married nor head of a household and:

- Under age 18; or
- Under age 22 and a student regularly attending school or college or training that is designed to prepare him/her for a paying job.

18.1.1. Income Treatment

Child support payments (including arrearage payments) made on behalf of a child (as defined above) are unearned income to the **child** and are subject to the unearned and general income exclusions. They are not income to the parent.

18.2. Adult Child

An adult child is an individual's son or daughter who no longer meets the definition of a child.

18.2.1. Current Adult Child Support

Current child support is support paid for the adult child's current needs. It is unearned income and is subject to the unearned and general income exclusions.

18.2.1.1. Income Treatment

Child support payments (excluding arrearages) received for an adult child by a parent after an adult child stops meeting the definition of a child are **income to the adult child**. The support payments are income to the adult child **whether or not** the adult child lives with the parent or **receives** any of the child support payment from the parent.

18.2.2. Adult Child Support Arrearages

A child support arrearage payment is a payment that was due but not paid in a timely manner for the appropriate period. It is being paid to comply with an unfulfilled past obligation to support the child.

18.2.2.1. Income Treatment

When a parent receives a child support **arrearage** payment on behalf of an adult child:

- Any amount of that payment that the parent receives and does not give to the adult child is income to the **parent**. The portion of the arrearage payment retained by the parent is not income to the adult child, and would not affect the adult child's AG eligibility.
- Any amount of the payment that the parent gives to the adult child is income to the **adult child** in the month given, not income to the parent.
- When an adult child receives a child support arrearage payment directly from the absent parent, the arrearage payment is income to the **adult child**.

Example:

A non-custodial father pays child support on behalf of his 19 year old disabled son who lives in an ALF. The son is considered an adult child. The former custodial mother receives a \$100 child support payment. The \$100 child support payment consists of both a current payment of \$75

and \$25 to pay for an arrearage. The mother keeps the child support arrearage payment of \$25, and gives her son his current \$75 child support payment. The arrearage payment is unearned income to the mother. The current child support payment is unearned income to the adult child.

18.3. One Payment Is Made For Two or More Individuals

Apply the following procedures when a single support payment (e.g., one check) is made for two or more persons.

- Review the legal document that describes the support payments. If the legal document states the amount of each person's share, divide the payment according to the terms of the document. If the legal document does not indicate the amount of each person's share, divide the payment equally.
- If no legal document exists, contact the source of the payment to establish intent and allocate the support payment according to that intent.
- If contact with the source is not successful, accept the individual's signed allegation about who the support is for and how the support should be allocated. If the individual cannot tell you how the support payment should be allocated, divide the payment equally among the intended recipients.

18.4. Verification

Verify the amount and frequency of child support payments.

Evidence includes:

- Court records;
- Records of the agency through which the payments are made;
- Official documents in the individual's possession (e.g., legal documents) that establish the amount and frequency of the support;
- Report of contact with the source of the payment containing the amount and frequency of the support.

If none of the above evidence is available, accept the individual's signed allegation over a penalty clause.

19. Civil Service And Federal Employee Retirement Payments

Unearned Income

The Office of Personnel Management (OPM) makes U.S. Civil Service and Federal Employee Retirement System (FERS) payments because of disability, retirement, or death.

19.1. Income Treatment

In general, U.S. Civil Service and FERS payments are **unearned income** to the entitled retiree or individual survivor and are subject to the unearned and general income exclusions.

Note: These payments are unearned income to the individual who is entitled to the payment, even when additional monies for other family members are included in the payment.

19.1.1. Certain Disability Benefits

Certain disability benefits paid within the first 6 months after an employee last worked are **earned income**. See Sick Pay Chapter I – 60 for an explanation of benefits falling under this exception.

19.1.2. Countable Civil Service and FERS Income

The amount of the Civil Service and FERS payments to count as income is the amount before the collection of any obligations of the individual (unless the overpayment related double counting exception applies. See Overpayments Chapter I – 47)

19.2. Verification

To verify the **gross** amount of the OPM payment, use notices or other documents in the individual's possession (other than a check). Do not use a check alone to verify the amount of the OPM payment because a check is not reliable evidence of the gross amount.

If the individual has no acceptable documents, instruct him/her to write or telephone OPM. The individual must provide his/her name and annuity claim identification number (a seven-digit number with a “CSA” or “CSF” prefix). If the claim number is not available, provide the individual's date of birth and Social Security number.

The OPM telephone number is toll-free, (888) 767-6738. Send written inquiries to:

**Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017**

Email: retire@opm.gov

20. Credit Life Or Credit Disability Insurance Payments

Not Income

Credit life and credit disability insurance policies are issued to or on behalf of borrowers, to cover payments on loans, mortgages, etc. in the event of death or disability. These insurance payments are made directly to loan or mortgage companies, etc. and are not available to the individual.

20.1. Income Treatment

Payments made under a credit life or credit disability insurance policy on behalf of an individual are **not income**.

20.2. Verification

Verification is not required, unless questionable. If questionable, use documentation in the individual's possession or contact the source of the payment to verify the type and source of payment.

21. Death Benefits

Unearned Income

A death benefit is something received as the result of another's death. The AG application and redetermination forms do not ask specifically about death benefits. Be alert for situations where further questioning about death benefits is advisable.

Examples of death benefits include:

- Proceeds of life insurance policies received due to the death of the insured;

- Life insurance proceeds received as a result of the death are not a converted resource
- Lump sum death benefits from SSA;
- RR burial benefits;
- VA burial benefits;
- Inheritances in cash or in kind;
- Cash or gifts of real or personal property given by relatives, friends, or a community group to “help out” with expenses related to the death.

Note: Recurring survivor benefits such as those received under Title II, private pension programs, etc., are not death benefits.

21.1. Income Treatment

Death benefits provided to an individual are **unearned** income to such individual to the extent that the total amount exceeds the expenses of the deceased person's last illness and burial paid by the individual. They are subject to the unearned and general income exclusions.

To determine the income derived from death benefits, subtract the total expenses from the total death benefits.

21.1.1. Value

Determine the value of the benefit based on the section that is specific to the type of item that was received.

21.1.2. When To Count

Count the income in the month the death benefit(s) is received. If death benefits are received in more than one month, assume that the funds first received are the first spent. For example, if the death benefits are \$1,000 received in January and \$1,000 in February and the allowable expenses are \$1,500, charge the remaining \$500 as income in February.

See Inheritances Chapter I - 36 to determine when inheritances are considered available.

21.2. Verification Of Death Benefits

Use documentation in the individual's possession or contact the source of the payment to verify the type, source, and amount of payment.

21.3. Last Illness And Burial Expenses

Last illness and burial expenses include related hospital and medical expenses; funeral, burial plot, and interment expenses; and other related expenses.

21.3.1. Verification Of Expenses

Verify all last illness and burial expenses. If verification (e.g., bills, receipts, contact with provider, etc.) cannot be obtained, accept the individual's signed allegation. If an expense has been incurred but not paid, assume the individual will pay the expense unless you have reason to question the situation. No follow-up is required if the assumption is applied.

Use your judgment to determine whether an expense is reasonably related to the last illness and burial. It is expected that related expenses may include such items as: new clothing to wear to the funeral; food for visiting relatives; taxi fare to and from the hospital and funeral home; etc.

22. Disability Payments

Disability benefits are payments made because of injury or other disability. Certain accident disability benefits paid within the first 6 months after the month an employee last worked are earned income. For a further explanation of sickness and accident disability payments see the section addressing the source of the payment. See:

Sick Pay – Chapter I – 60

SSA - Chapter I – 61

VA Compensation and Pensions – Chapter I – 70

Workman's Compensation – Chapter I – 76

Disability Insurance is addressed under Retirement Funds – Chapter I – 56

23. Disaster Assistance

Unearned Income

This section addresses presidential-declared disasters. There are no specific instructions or exclusions addressing other disasters.

23.1. Declaration

At the request of a State governor, the President may declare a major disaster when the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and local governments, and Federal assistance is needed. Disasters include such things as hurricanes, tornadoes, floods, earthquakes, volcano eruptions, landslides, snowstorms, drought, etc.

23.2. Source

Assistance provided to victims of a presidential-declared disaster includes assistance from:

- Federal programs and agencies;
- Joint Federal and State programs;
- State or local government programs;
- Private organizations (e.g., the Red Cross).

23.2.1. Income Treatment

All assistance provided based on a presidential-declared disaster is **exempt from income and resources.**

23.3. Verification

Accept the individual's signed allegation of the source and type of the payment.

24. Dividends And Interest

Unearned Income

Dividends and interest are returns on capital investments such as stocks, bonds, or savings accounts.

Note: Account service fees or penalties for early withdrawal do not reduce the amount of interest or dividend income.

24.1. Income Treatment

24.1.1. Interest Earned On Countable Resources

Dividends or interest earned on countable resources are **not income**.

24.1.2. Interest Earned On Excluded Resources

Consult the resource guidelines that address the type of resource on which the interest/dividend is earned to determine if the interest is or is not counted as income.

24.1.2.1. Exclusions

If it is countable as unearned income, it is subject to the general income disregards.

24.2. Verification

Verify amount and frequency of interest or dividend income with a check or notice issued by the source or an amortization table.

When it has been determined the dividend or interest income is excluded from income counting, it is not necessary to verify the dividend or interest income.

Note: The interest or dividends may be countable resources if retained into the following month. If retained the interest or dividends would need to be verified for resource eligibility.

25. Duplicate Or Erroneous Payments

Not Income

A duplicate or erroneous payment is one made to an individual due to an error on the part of the source of the payment.

25.1. Income Treatment

A payment is **not income** when the individual is aware that he/she is not due the money and returns the uncashed check or otherwise refunds all of the erroneously received money.

25.1.1. Timely Return

If the individual returns or refunds an erroneous payment in the month of receipt or the following month, accept the allegation that the money was returned and do not count the erroneous payment as income.

25.1.2. Delayed Return

If there is a delay in the return of an erroneous payment beyond the month following the month of receipt:

- Verify return of the payment;
- Document the reason for the delay (e.g., lengthy hospital stay) and any other relevant facts; and
- Record your determination in the file.

Example

In August, Bob Brown states that he received his regular January VA pension check of \$290. However, during the latter part of January, he received another \$290 VA check along with a letter explaining that his January check had been delayed due to a computer error. Mr. Brown explains that he knew the second check was a duplicate and says he had not been able to return it sooner due to illness. The worker verifies the return of the \$290 check in July as well as Mr. Brown's illness. The worker then makes a determination that the additional check is not income as Mr. Brown returned the check and had good cause for the delay in doing so.

25.1.3. Not Returned

If the duplicate or erroneous payment is not returned, the payment is counted as income in the month received.

26. Gambling Winnings, Lottery Winnings and Other Prizes**Unearned Income**

Gambling winnings, lottery winnings and prizes are generally things won in a game of chance, lottery or contest.

26.1. Income Treatment

Gambling winnings, lottery winnings and prizes are unearned income and are subject to the unearned and general income exclusions.

Note: Do not subtract gambling losses from gambling winnings in determining an individual's countable income.

26.1.1. Choice Between Cash and In-Kind Item

If an individual is offered a choice between an in-kind item and cash, the cash offered is counted as unearned income. This is true even if the individual chooses the in-kind item and regardless of the value, if any, of the in-kind item.

26.1.2. Exclusions

Possible exclusions that may be applied are the \$20 General Income Exclusion, the Infrequent or Irregular Exclusion, the Spouse At Home Exclusion, or the Minor Child At Home Exclusion.

26.2. Verification

Use documentation in the individual's possession to verify the income. If the individual does not have sufficient documentation to verify the income, then do the following:

Obtain the individual's signed statement regarding:

- Date the item was received;
- Type of item received;
- Individual's estimate of the value of the item if not cash; and
- Source of the item.

26.2.1. Value

Accept an individual's signed estimate of the value of the item (or actual value, if cash) unless you have reason to doubt the estimate. If you doubt the estimate, determine the item's current market value with an independent source.

27. **Gifts**

Unearned Income

A gift is something a person receives which is not repayment for goods or services the person provided and is not given because of a legal obligation on the giver's part. To be a gift, something must be given **irrevocably** (i.e., the donor relinquishes all control).

“Donations” and “contributions” may meet the definition of a gift. A gift received as the result of a death is a **death benefit**, see Chapter I – 20.

27.1. Income Treatment

A gift received in cash or in real or personal property is unearned income and is subject to the unearned and general income exclusions.

27.1.1. Exception

The value of any non-cash item is not income if the item would become a partially or totally excluded non-liquid resource if retained in the month after the month of receipt. See Chapter I – 50.1.1.

Example - Gift of Jewelry

If a gift of jewelry retained into the month after the month of receipt would be excluded from resources as part of an individual's personal effects, it would not count as income. See Chapter E – 37 for the exclusion for household goods and personal effects. If the jewelry would not be an excluded resource, it is counted as unearned income at its CMV.

27.2. Value Of Gift

Accept an individual's signed estimate of the value of the gift (or actual value if cash) unless you have reason to doubt the estimate. If you doubt the estimate, determine the item's current market value (CMV) with an independent source.

The first \$60 received from gifts of cash in a calendar quarter might be excludable as infrequent or irregular income.

27.3. Exclusions

27.3.1. Gifts Used To Pay Tuition, Fees, Or Other Necessary Educational Expenses

Gifts (or a portion of a gift) used to pay for tuition, fees, or other necessary educational expenses at any educational institution, including vocational and technical education, are excluded from income.

If gifts are used to pay for tuition, fees, or other necessary educational expenses at any educational institution, including vocational and technical education, follow instructions in Chapter I – 29 for income and Chapter E – 32 for resources guidelines and procedure.

27.3.2. Other Exclusions

As unearned income, the remaining balance is subject to the general income disregards.

28. Gifts Of Domestic Travel Tickets

Unearned Income/Not Income

Domestic travel is travel in or between the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

28.1. Income Treatment

28.1.1. Gift of Domestic Travel Ticket Not Converted To Cash

The value of a ticket for domestic travel received by an individual, or his/her spouse, is not income if:

- The ticket is received as a gift; and
- The ticket is not converted to cash (e.g., cashed in, sold, etc.).

28.1.2. Gift of Domestic Travel Ticket Converted to Cash

A domestic ticket received as a gift is treated as unearned income in the month the ticket was converted to cash. It is subject to the unearned and general income exclusions.

28.2. Verification

Obtain the individual's signed statement as to whether the ticket has been retained, used, or converted to cash. If the ticket has been converted to cash, specify in the

statement the amount of cash received. In the absence of evidence to the contrary, accept the statement as fact.

29. Gift of Non-Domestic Travel Ticket

Unearned Income/Not Income

Non-domestic travel is travel to any place other than those listed in Chapter I – 27.

29.1. Income Treatment

29.1.1. Cannot Be Converted To Cash

The gift of a **non-domestic** travel ticket that cannot be converted to cash (i.e., it is not refundable) is **not income**, even if the ticket was used for transportation.

29.1.2. Can Be Converted To Cash

Travel tickets that can be converted are income and are counted as unearned income at the current market value (CMV) in the month of receipt, whether or not the ticket was sold or used for transportation. The income is subject to the unearned and general income exclusions.

29.2. Verification

Obtain the individual's signed statement as to whether the ticket (whether used or not) was or could be converted to cash:

- If the answer is yes, count the CMV of the ticket as unearned income in the month received.
- If the answer is no, verify the allegation by examining the ticket or by contact with the travel carrier or travel agent. If the allegation is verified, don't count the CMV of the ticket as income; otherwise count it as income.

30. Grants, Scholarships, Fellowships, And Gifts

Unearned Income

Grants, scholarships, and fellowships are amounts paid by private nonprofit agencies, the U.S. Government, instrumentalities or agencies of the U.S., State and local governments, foreign governments, and private concerns to enable qualified individuals to further their education and training by scholastic or research work, etc.

30.1. Income Treatment

The source of the grants, scholarships, and fellowships determine how the funds are evaluated. Title IV of Higher Education Act of 1965 (HEA) or Bureau of Indian Affairs (BIA) grants are **fully excluded regardless of use** and the portion of Other Grants, Scholarships, Fellowships, and Gifts used or intended to be **used to pay the cost of necessary educational expenses are excluded**. The portion of Other Grants, Scholarships, Fellowships, and Gifts **not used** or not intended to be used to pay the cost of necessary educational expenses is **unearned income**.

30.2. Assistance Under Title IV Of The Higher Education Act Of 1965 (HEA) Or Bureau Of Indian Affairs (BIA)

All student financial assistance received under HEA or under BIA student assistance programs is excluded from income and resources, regardless of use.

Examples of HEA Title IV Programs:

- PELL grants
- State Student Incentives
- Academic Achievement Incentive Scholarships
- Byrd Scholars
- Federal Supplemental Educational Opportunities Grants (FSEOG)
- Federal Educational Loans (Federal PLUS Loans, Perkins Loans, Stafford Loans, Ford Loans, etc.)
- Upward Bound
- GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs)
- LEAP (Leveraging Educational Assistance Partnership)
- SLEAP (Special Leveraging Educational Assistance Partnership)
- Work-Study Programs.

30.2.1. Interest And Dividends Earned On Title IV Of HEA Or BIA Educational Assistance

Interest and dividends earned on unspent educational assistance under Title IV of HEA or under BIA are excluded from income.

30.3. Other Grants, Scholarships, Fellowships, And Gifts

30.3.1. Used For Paying Educational Expenses

Any portion of a grant, scholarship, fellowship, or gift used for paying tuition, fees, or other necessary educational expenses at any educational institution, including vocational or technical education, is **excluded from income**. Any portion of such educational assistance that is **not used** to pay current tuition, fees or other necessary educational expenses but will be used for paying this type of educational expense at a future date is **excluded from income in the month of receipt**. This exclusion does not apply to any portion set aside or actually used for food, clothing, or shelter.

30.3.1.1. Tuition, Fees, And Other Necessary Educational Expenses

Educational expenses include laboratory fees, student activity fees, transportation, stationery supplies, books, technology fees, and impairment-related expenses necessary to attend school or perform schoolwork (e.g., special transportation to and from classes, special prosthetic devices necessary to operate school machines or equipment, etc.).

30.3.2. Not Used Or Set Aside For Paying Educational Expenses

Any portion of grants, scholarships, fellowships, or gifts that is not used or set aside for paying tuition, fees, or other necessary educational expenses is unearned income in the month received and a resource the month after the month of receipt, if retained. The portion countable as income is subject to the unearned and general income exclusions.

30.3.3. Set Aside Funds Used For Another Purpose

If any portion of grants, scholarships, fellowships, or gifts that is excluded from resource because it is set aside to pay for tuition, fees, or other necessary educational expenses is used for some other purpose, the funds are income at the earliest of the following points: in the month that it is spent, or the month the individual no longer intends

to use the funds to pay tuition, fees, or other necessary educational expenses.

30.4. Interest And Dividends Earned On Educational Assistance

Interest and dividends earned on excluded grants, scholarships, fellowships, or gifts **are counted** as income. Interest and dividends earned on countable educational assistance are excluded from income.

30.5. Determine Countable And Excludable Amounts Of Educational Assistance

STEPS	ACTIONS
Step 1	Verify that the assistance is a grant, scholarship, fellowship, or gift using documents in the individual's possession or contact with the institution or provider to verify the nature of the assistance (e.g., scholarship, grant, etc.). If not totally excluded under another provision, verify the amount, date(s) of payment, payee, source of payment/payer, etc.
Step 2	<ul style="list-style-type: none"> • If Title IV of HEA or BIA is involved, exclude the assistance. STOP. • If Title IV of HEA or BIA is not involved, go to Step 3.
Step 3	<p>Determine the amount of tuition, fees, and other necessary educational expenses.</p> <ul style="list-style-type: none"> • Use receipts, bills with cancelled checks, contact with the provider, etc., to verify expenses paid. If an expense is verified as incurred but not paid, assume the individual will pay the expense unless you have reason to question the situation. No follow-up is required if the assumption is applied. • Use your judgment to determine whether payment of an expense was a necessary part of obtaining an education.

STEPS	ACTIONS
	<ul style="list-style-type: none"> • A signed allegation is acceptable evidence of expenses when it is unreasonable to obtain other evidence (e.g., daily bus-fare, small expendable items, etc.). Do not apply this tolerance to major expenses such as tuition, fees, and books.
Step 4	<p>Deduct the amount of tuition, fees, and other necessary educational expenses from the gross amount of the assistance.</p> <ul style="list-style-type: none"> • Exclude the remainder from income if the individual alleges that it will be used for tuition, fees, or other necessary educational expenses. • Count the remainder as unearned income. • Count any portion of previously excluded grants, scholarships, fellowships, or gifts as income the earliest of the either the month that it is spent for something other than tuition, fees, or other necessary educational expenses, or the month the individual no longer intends to use the funds to pay tuition, fees, or other necessary educational expenses.

Example 1

An AG beneficiary who attends an educational institution receives a \$1,000 scholarship and a \$1,000 grant in September 2015. The educational assistance is **not** under Title IV of HEA or BIA. The student uses \$1,500 to pay for tuition, fees, and other necessary educational expenses in September 2015. The student plans to use the remaining \$500 to help pay tuition, fees, and other educational expenses in February 2016.

The worker verifies the type and amount of assistance and expenses and excludes \$2,000 from income in September 2015 because this assistance is or will be used to pay tuition, fees or other necessary educational expenses. The unused \$500 is an excluded resource for October 2015 through June 2016, 9 months after the month of receipt. Any interest or dividends earned on the excluded resource are counted as income during the 9-month exclusion period.

Example 2

In January 2016, the AG beneficiary in example 1 decides to postpone attendance at an educational institution until September 2016. The AG beneficiary intends to use the \$500 in September 2016 to help pay for books and other necessary educational supplies.

The remaining \$500 remains excluded from income in September 2015 and from resources from October 2015 through June 2016 because the educational assistance will be used to pay for tuition, fees, or other necessary educational expenses. Since the 9-month exclusion period ends in June 2016, the worker determines the \$500 is a countable resource beginning July 2016, the month after the end of the 9-month period.

Example 3

In January 2016, the AG beneficiary in example 1 decides to postpone attendance at an educational institution until September 2016 and uses the \$200 to pay credit card bills and save \$300 in case of an emergency.

The \$500 is income in January 2016, the month the assistance is spent and is no longer to be used for paying tuition, fees, or other necessary educational expenses. Beginning February 2016, the remaining \$300 is a countable resource.

31. Emergency Assistance (EA)**Unearned Income**

Emergency Assistance is the term for a program offered by Virginia that provides payments to families to meet emergency needs. The program is funded with Federal Temporary Assistance for Needy Families (TANF) money and is income based on need.

31.1. Income Treatment

EA payments are unearned income and are subject to the unearned and general income exclusions.

31.1.1. Exclusions

- The \$20 General Income Exclusion does not apply to this income because it is income based on need.

- Possible exclusions that may be applied are the Infrequent or Irregular Exclusion, the Spouse At Home Exclusion, or the Minor Child At Home Exclusion.

31.2. Verification

Verify the individual's portion of the emergency assistance by contact with the TANF eligibility worker.

32. Garnishment Or Other Withholding

Earned/Unearned Income

A **garnishment** or **seizure** is a withholding of an amount from earned or unearned income in order to satisfy a debt or legal obligation. Other amounts may be withheld for other reasons. Amounts withheld from income to satisfy a debt or legal obligation or to make certain other payments (such as payment of Medicare premiums) are income.

32.1. Kinds Of Withholdings

Some items for which amounts may be withheld but considered received are:

- Federal, State, or local income taxes;
- Health or life insurance premiums;
- SMI premiums;
- Union dues;
- Penalty deductions for failure to report changes;
- Loan payments;
- Garnishments;
- Child support payments (court ordered or voluntary (see SI 01320.145 for an exception for deemors));
- Service fees charged on interest-bearing checking accounts;
- Inheritance taxes; and
- Guardianship fees if presence of a guardian is not a requirement for receiving the income.

32.2. Income Treatment

Amounts withheld from earned income are countable as earned income. Amounts withheld from unearned income are countable as unearned income. Income includes amounts withheld from income whether the withholding is:

- Purely voluntary;
- To repay a debt; or
- To meet a legal obligation.

Note: This information does not apply to amounts withheld to pay the expenses of obtaining the income since such amounts are not income.

32.2.1. Exclusions

Apply the exclusions that are applicable to the type of income from which the income was withheld.

32.3. Verification

Use the verification methods for the type of income from which the income was withheld.

33. Health Insurance Payments

Unearned Income

Cash from any health insurance policy which pays a flat rate benefit to the recipient without regard to the actual charges or expenses incurred is unearned income. Examples of these types of insurance policies are per diem hospitalization or disability insurance, or cancer or dismemberment policies.

Note: Reimbursements for medical costs are not income and do not need to be verified.

33.1. Income Treatment

Cash from a flat rate benefit insurance policy is unearned income and is subject to the unearned and general income exclusions.

33.2. Verification

Verify the source, amount and frequency of the benefits by documents in the individual's possession.

34. Honoraria

Earned Income/Unearned Income

An honorarium is an honorary or free gift, reward, or donation usually provided gratuitously for services rendered (e.g., guest speaker), for which no compensation can be collected by law. An honorarium may include a free gift of lodging, or payment of an individual's expenses.

34.1. Income Treatment

Payment received for a service rendered is earned income and is subject to the earned and general income exclusions. Any other payment received in excess of the individual's expenses is unearned income.

Note: Absent evidence to the contrary, assume that the amount of any honorarium received is in consideration of the actual services provided by the individual.

34.1.1. Possible Exclusions

34.1.1.1. Earned Income

Possible exclusions that may be applied to earned income are the Spouse at Home Exclusion, the Child at Home Exclusion, the \$20 General Income Exclusion, the Infrequent or Irregular Exclusion, the \$65 and ½ Exclusion, the Impairment Related Work Expenses (IRWE), and the Blind Individuals (BWE) Work Expenses

34.1.1.2. Unearned Income

Possible exclusions that may be applied to unearned income are the general income exclusions including the expenses of obtaining the income.

34.2. Verification

Verify these payments by examining documents in the individual's possession which reflect:

- The nature of the payment;
- The amount;

- The date(s) received; and
- The frequency of payment, if appropriate.

If the individual has no such evidence in his/her possession, contact the source of the payment.

35. **Income Based on Need (IBON)**

Unearned Income

Income based on need (IBON) is assistance:

- Provided under a program which uses income as a factor of eligibility; and
- Funded wholly or partially by the **federal** government or a **nongovernmental** agency (e.g., Catholic Charities or the Salvation Army) for the purpose of meeting basic needs (i.e., the funds are provided specifically for a formalized program whose general purpose is similar to that of the AG program).

35.1. Income Treatment

Income based on need is **counted** as income dollar for dollar, unless it is totally excluded by statute (e.g., food stamps).

35.1.1. Exclusions

- The \$20 general income exclusion does not apply to IBON.
- Possible exclusions that may be applied are the Infrequent or Irregular Exclusion, the Spouse At Home Exclusion, or the Minor Child At Home Exclusion.

35.2. Verification

These instructions apply when there are no separate instructions pertaining specifically to the program in question.

- Verify with the administering agency personnel and/or program descriptions that the assistance meets the definition of income based on need.
- Verify the amount of the assistance for each month with the administering agency or through documents in the individual's possession.

36. Income Tax Refunds

Not Income

Any amount refunded on income taxes already paid is **not income**. Income tax refunds are not income, even if the income from which the tax was withheld was received in a period prior to application for AG benefits.

36.1. Verification

Verification is not required.

37. Inheritances

Unearned Income

An **inheritance** is cash, a right, or non-cash items received as the result of someone's death. An inheritance is a **death benefit**.

Until an item or right has a value (i.e., can be used to meet the heir's need for food, clothing, or shelter), it is neither income nor a resource. The inheritance is income in the first month it has a value and can be used to meet the individual's needs.

37.1. Inheritance Already A Resource

An inheritance is **not** income to an individual if the inheritance is something which was considered that individual's resource as a member of an eligible couple immediately before the death.

Note: The **proceeds** of a life insurance policy are **not** a resource before death. Even though a life insurance policy may have been a resource in the past (i.e., the cash surrender value was a resource), at the time of the insured's death that particular resource ceases to exist. The insurance **proceeds** received as a result of the death are not a converted resource but are income. The **proceeds** represent the death benefit payable not a return of the cash surrender value.

37.2. Income Treatment

At the point it is determined the inheritance is income to the individual, use the Death Benefits guidelines in Chapter I – 20 to determine the amount of countable income.

37.2.1. Date of Receipt

In Virginia, it takes a minimum one year for an estate to be probated. This period is allowed for the filing of a will, claims by creditors, and claims to contest a will. If there is no will to be probated, there are estate administration requirements that have to be followed. These, too, may take a long period to complete. Because these timeframes prohibit the individual from using the inheritance to meet his/her needs, the inheritance is not income until **earliest** of:

- The date the individual alleges receiving the inheritance (using a signed statement from the individual or documents in the individual's possession); or
- The date the estate is closed (which may be determined by contacting the court or an attorney involved in the closing of the estate); or
- 12 months after the death.

37.2.2. Value

Determine the value of the inheritance based on guidelines specific to the type of item that was received.

37.3. Verification

Verify the amount or value of the inheritance using:

- **Documents** in the individual's possession;
- A **court order** closing the estate;
- A copy of the **will**; or
- An **estimate** from a knowledgeable source, if real property is involved.

38. In-Kind Support And Maintenance

Not Income

Receipt of free food and shelter is in-kind support and maintenance. In-kind support and maintenance is not income.

39. Joint Bank Accounts - Income Derived from

Unearned Income

This section explains how to charge income in different situations involving the joint bank account of an AG recipient/applicant. See Chapter E – 24 for resource determinations involving bank accounts.

39.1. Income Treatment

39.1.1. Joint Bank Account Is Held By An AG Recipient And An Ineligible Individual

- When a joint bank account is held by **an AG recipient and an ineligible individual**, income to the AG recipient includes:
 - The full amount of any interest posted to the account and
 - The full amount of any deposit made by a third party or by the ineligible bank account holder unless the AG recipient is acting as an agent.

39.1.1.1. Rebuttal Situations

- If an AG recipient successfully **rebutts ownership of a portion of funds in a joint account**, deposits made by the other account holder are not income to the AG recipient. Interest is charged to the AG recipient in proportion to the percentage of funds that are a resource to the recipient.
- If an AG recipient successfully **rebutts ownership of all the funds** held in a joint bank account, deposits by the other account holders or interest posted to the account are not income to the recipient. See Chapter I – 38.3. below.

39.1.2. Joint Bank Account Is Held By Multiple AG Recipients

When **two or more AG recipients are joint account holders**, deposits made by one individual are not income to the other. Allocate interest equally among the joint holders.

39.2. Exclusions

Possible exclusions that may be applied are the unearned and general income exclusions.

39.3. Ownership Rebuttal

If an individual wishes to rebut the applicable ownership assumption, obtain his/her statement regarding:

- Who owns the funds;
- Why there is a joint account; and
- Who has made deposits to and withdrawals from the account; and how withdrawals have been spent.

39.3.1. Rebuttal Verification

In addition, inform the individual that he/she must submit the following evidence within 10 days:

- A corroborating statement from each other account holder (if the only other account holder is incompetent or a minor, have the individual submit a corroborating statement from anyone aware of the circumstances surrounding establishment of the account);
- Account records showing deposits, withdrawals and interest in the months for which ownership is at issue;
- If the individual owns none of the funds, evidence showing that he/she can no longer withdraw funds from the account;
- If the individual owns only a portion of the funds, evidence showing removal from the account of such funds, or removal of the funds owned by the other account holder(s), and redesignation of the account.

39.3.2. Rebuttal Results

Any funds that the evidence establishes were owned by the other account holder(s), and that the individual can no longer withdraw from the account, were not and are not the individual's resources. That is, rebuttal is both retrospective and prospective.

39.4. Verification

Obtain verification that shows

- The balance in the account as of the first moment of the month being evaluated
 - Verification of account balances can be obtained from:
 - Bank statements and passbooks
 - Internet printouts from the financial institution's web site
 - ATM transaction receipts and/or deposit/withdrawal slips
- The name and address of the financial institution;
- The account number(s); and
- The exact account designation (the names on the account)

40. Jury Fees

Unearned Income

Jury fees are fees paid to jurors for their period of services. Expense money given to jurors is not jury fees.

40.1. Income Treatment

Jury fees are unearned income and are subject to the unearned and general income exclusions. Monies received as payment for an essential expense incurred while serving as a juror is not income.

40.2. Verification

Use documents in the individual's possession to verify the amount of jury fees. If the individual does not have verification documents, verify jury fees by contacting the court clerk or jury commissioner.

41. Life Insurance – Accelerated Payments

Accelerated life insurance payments are proceeds paid to a policyholder prior to death. Although accelerated payment plans vary from company to company, all of the plans involve early payout of some or all of the proceeds of the policy.

Some companies refer to these types of payments as “living needs” or “accelerated death” payments.

41.1. Resource Value

Since accelerated payments can be used to meet food, or shelter needs, the payments are income in the month received and a resource if retained into the following month and not otherwise excludable.

42. Life Insurance Proceeds

Unearned Income

Life insurance proceeds received as a result of a death are death benefits and are unearned income. Use the section Death Benefits to evaluate the proceeds. See Chapter I – 20.

Note: The proceeds are not a converted resource. The proceeds are the payable death benefit, not a return of the cash surrender value. Even though a life insurance policy may have been a resource in the past (i.e., the cash surrender value was a resource), at the time of the insured's death that particular resource ceased to exist.

43. Loan Proceeds

Unearned Income/Not Income

A loan is a transaction whereby one party advances money to, or on behalf of another party, who promises to repay the lender in full, with or without interest. The loan agreement may be written or oral, and must be enforceable under Virginia law.

Proceeds of a loan are the moneys the borrower receives or are the principal payments received by the lender. A loan may be a bona fide loan or not bona fide. Whether the loan is bona fide or not determines if it is unearned income or is not income.

43.1. Bona Fide Agreement

A bona fide agreement is an agreement that is legally valid and made in good faith.

A loan (oral or written) is bona fide if it meets all of the following requirements.

- **Enforceable Under State Law**

A bona fide loan is a contract that is enforceable under Virginia law.

- **Loan Agreement In Effect At Time Of Transaction**

The loan agreement must be established and in effect at the time that the cash proceeds are provided to the borrower. Money given to an individual with no obligation to repay cannot become a loan at a later date.

- **Acknowledgement Of An Obligation To Repay**

The obligation to repay must be acknowledged by both the lender and the borrower for a bona fide loan to exist. When money or property is given and accepted based on any understanding other than it is to be repaid by the receiver, there is no loan for AG purposes.

A statement by the individual that he or she feels personally responsible to pay back the friend or relative does not create a legal obligation to repay the individual who provided the cash. Similarly, a statement by the lender that the eligible individual is only required to repay the cash if he or she becomes financially able to do so does not create a legal obligation to repay.

- **Plan For Repayment**

The loan must include a plan or schedule for repayment, and the borrower's express intent to repay by pledging real or personal property or anticipated future income (such as AG benefits).

- **Repayment Plan Must Be Feasible**

The plan or schedule must be feasible. In determining the plan's feasibility, consider the amount of the loan, the individual's resources and income (including anticipated AG benefits), and the individual's living expenses.

43.2. Income Treatment

43.2.1. Bona Fide Loan

Proceeds of a **bona fide** loan are **not income** to the borrower because of the borrower's obligation to repay.

43.2.2. Loan Not Bona Fide

If a loan is not bona fide, the proceeds are unearned income in the month received and are subject to the unearned and general income exclusions.

43.2.3. Interest On A Loan

Interest received on money loaned is income whether the loan is bona fide or not and is subject to the general income disregards.

43.3. Buying on Credit

Items bought on credit are not income because they are treated as though the individual were borrowing money to pay for the item.

43.4. Verification

If there is a written agreement between the parties, obtain a copy of the agreement. If there is no written agreement, obtain signed statements from the borrower and the lender.

43.4.1. Forms

To document informal loans, you may use two locally reproducible forms.

- The Statement of Funds You Provided to Another form is a questionnaire that the lender completes. Send the form and a cover letter that explains why the information is needed to the lender for completion.
- The Statement of Funds You Received form is a form that the borrower completes. Send a cover letter and the form to the borrower for completion.

Use the back of the forms if you need more room to record information.

44. Low Income Energy Assistance

Unearned Income

Through a block grant, the Federal Government provides funds to States for energy assistance (including weatherization) to low income households. It is most often provided in a medium other than cash (e.g., voucher, two-party check, direct payment to vendor, etc.) but may be in cash.

44.1. Income Treatment

Energy assistance is unearned income.

44.1.1. Exclusion

Home energy or support and maintenance assistance is excluded from income if it is certified in writing by the appropriate agency to be both based on need and:

- Provided **in kind** by a private nonprofit agency; or
- Provided **in cash or in kind** by a supplier of home heating oil or gas, a rate-of-return entity providing home energy, or a municipal utility providing home energy.

44.2. Verification

Use documents in the individual's possession, contact with the provider or agency involved, or LDSS knowledge to verify that assistance from a particular program is provided under the Federal Low-Income Home Energy Assistance Program. Once this is verified, no further documentation is necessary.

45. Medical and Social Services Related Cash

Not Income

45.1. Cash Received From A Governmental Program

Any cash (other than remuneration for sheltered employment and incentive payments) provided by a governmental medical or social services program is **not income**.

To be considered “governmental”, the program must be authorized by Federal, State or local law to make payments for medical or social service purposes.

Payment from a governmental program, which is disbursed by a nongovernmental agency, is considered a payment from a governmental program for purposes of this section.

45.1.1. Verification

Document the file that the source of the cash is a governmental medical or social services program. Obtain evidence from the individual that the source of the cash is a governmental medical or social services program (e.g., program identification card, notice, or award letter). If the individual has no evidence available, contact the agency.

45.2. Cash Received From A Non-Governmental Program

Any cash from a nongovernmental medical or social services organization is **not income** when:

- The cash is for medical or social services already received by the individual and approved by the organization; or
- The cash is a payment restricted to the future purchase of a medical or social service.

45.2.1. Verification

Document the file that the source of cash is a nongovernmental medical or social services organization. If verification of the agencies non-profit status is needed, look at the fundamental purpose of the organization in its articles of incorporation or its certification as a nonprofit organization under section 501(c) of the Internal Revenue Code.

45.3. Discharge Assistance Program (DAP)

DAP provides individualized community services and supports that enable individuals to transition from state hospitals to communities where they can recover in the least restrictive and most integrated settings possible.

DAP funds are state funds given to the Department of Behavioral Health and Developmental Services (DBHDS) to be administered by the local Community Service Board (CSB) or Behavioral Health Authority (BHA).

DAP funds are considered funds from a governmental program and not counted as income to the individual. Services and/or goods paid by DAP funds will not be counted as income. However, DAP funds used for room and board are counted as

income as the primary payment source while any AG payment will become secondary.

45.3.1. Verification

Request provider to send DAP agreement with CSB or BHA. Review contract to see how DAP funds are being allocated. If room and board are being contracted, count the income to reduce AG payment. (Note: If placed by State Hospital, payment will terminate as soon as AG is approved- no greater than three months). Payment for AG can be reevaluated once DAP funds has been terminated for room and board. If individual has ongoing DAP funds for goods and services then process application as regular AG payment.

46. Military Pensions

Unearned Income

The Air Force, Army, Marine Corps, Navy, and Coast Guard pay military pensions to military retirees and survivors normally on the first day of the month.

46.1. Categories Of Beneficiaries

There are three categories of beneficiaries who may be entitled to military payments:

- **Retiree** - A person with 20 years of service who meets the requirements for entitlement;
- **Annuitant** - A survivor who is designated by the retiree to receive benefits upon the death of the retiree under the Retired Serviceman's Family Protection Plan (**RSFPP**), Survivor's Benefit Plan (**SBP**), or both;
- **Allottee** - Anyone other than an annuitant of the RSFPP or SBP who is designated to receive money out of the service member's or retiree's check. Entitlement as an allottee terminates upon the death of the retiree. However, an allottee can become an annuitant when the retiree dies.

46.2. Types of Annuitants

The RSFPP and SBP annuitant programs pay money to surviving spouse(s) and children.

The SBP program also pays:

- "Insurable interest" persons: i.e., someone other than a surviving spouse or child that a service member designated to receive survivor benefits based on monies withheld from his/her retirement payment under the provisions of the SBP program; and,
- Minimum Income Level Widows (MIW) who are certified by the VA as having low income and are referred by the Department of Defense (DOD).

46.3. Income Treatment

Military pensions (before deductions) are unearned income and are subject to the unearned and general income exclusions.

46.3.1. Exception

Payments to Minimum Income Level Widows (MIW) are income based on need not subject to the \$20 general income exclusion.

46.4. Verification

Obtain evidence from the individual's own records, if available. If the individual does not have sufficient evidence, he/she may contact the appropriate military finance center.

46.4.1. Contacting the Military Finance Centers

Send the request directly to the appropriate address listed below:

- **For Retirees Of The Army, Navy, Air Force And Marine Corps**

Defense Finance Accounting Service

U.S. Military Retired Pay P.O. Box 7130

London, KY 40742-7130

- **For Annuity holders, beneficiaries and survivors Of The Army, Navy, Air Force, And Marine Corps**

Defense Finance Accounting Service

U.S. Military Annuity Pay

P.O. Box 7131 London, KY 40742-7131

- **For Retirees/Annuity holders Of The Coast Guard**

United States Coast Guard Pay And Personnel Center RPD

444 SE Quincy Street
Topeka, KS 66683-3591

46.4.1.1. Information To Be Included

- The service member's given name, middle initial and surname;
- The service member's service identification number (if available);
- The service member's SSN;
- The annuitant's or allottee's name; and
- The annuitant's or allottee's SSN.

Specify the period for which payment information is needed and identify the pay plan (e.g., RSFPP, SBP).

47. Other In-Kind Income

Unearned Income

Any item of real or personal property an individual receives which he can sell or convert is called “other in-kind income.” See Real or Personal Property (Other In-Kind Income), Chapter I – 50.

48. Overpayments of Annuities, Retirement, And Disability Benefits

Unearned/Not Income

An overpayment is the total amount an individual received for any period that exceeds the total amount that should have been paid to the individual for that period. An overpayment is defined by the entity paying the benefit. This section addresses how to evaluate income when an amount is being withheld from current benefits to repay a prior overpayment.

Note: This section applies only when a benefit such as those listed below is being reduced for an overpayment. It does not apply to any other benefit reductions or deductions. For example, if a Title II benefit is being reduced for any other

reason (i.e. worker's compensation or work deductions), this section does not apply.

48.1. Types Of Income Affected

The types of unearned income affected by this section are annuities, pensions, retirement, and disability benefits including:

- Title II Payments
- Civil Service Payments (Office of Personnel Management) (CSRS/FERS)
- Railroad Retirement Payments
- Unemployment Benefits Payments
- Worker's Compensation Payments
- Military Pensions
- VA Pension
- VA Compensation

48.2. Income Treatment

Unearned income includes any part of a benefit that has been withheld to recover a previous overpayment.

48.2.1. Exception - Double Counting

The amount withheld to reduce a previous overpayment is not included when determining the amount of unearned income if double counting would result.

Double counting (i.e. counting unearned income twice) would result if:

- The individual **received** both AG and the other benefit at the time the overpayment of the other benefit occurred; **and**
- The overpaid amount was included in figuring the AG payment.

Note: Do not apply the exception if:

- The individual was determined ineligible for AG based on countable income that included the overpayment amount; and

- No AG payment was received for the months the overpayment occurred.

STEPS	DOUBLE COUNTING PROCEDURES ACTIONS
Step 1	<p>Does the individual allege receiving an annuity, pension, retirement, or disability benefit such as those listed in 47.1?</p> <p>Yes, go to step 2.</p> <p>No, stop.</p>
Step 2	<p>Is any of the benefit being withheld to recover an overpayment?</p> <p>Yes, go to step 3.</p> <p>No, stop.</p>
Step 3	<p>Review the case history to determine AG benefit payment dates. Did the individual receive AG when the alleged overpayment occurred?</p> <p>Yes, go to step 4.</p> <p>No, include the amount being withheld to recover the overpayment when determining the amount of unearned income.</p>
Step 4	<p>Verify when the overpayment occurred, the rate of recovery and the period of time of recovery by using documents in the individual's possession or by contacting the appropriate office or agency. Go to step 5.</p>

STEPS	DOUBLE COUNTING PROCEDURES ACTIONS
Step 5	<p>Was the overpayment amount counted in determining the AG payment?</p> <p>Yes, exclude the amount being withheld to recover the overpayment when determining the current amount of unearned income.</p> <p>No, include the amount being withheld to recover the overpayment when determining the current amount of unearned income.</p>

Examples

1. Exception Applies

Joe Jones started receiving Title II benefits and AG benefits in 1/05. In 11/15, Mr. Jones received a notice explaining that he was overpaid \$150 in Title II benefits from 4/15 through 8/15, and \$30 would be withheld from his Title II benefit to recover the overpayment from 1/16 through 5/16.

Since the overpaid amount was already included in determining countable unearned income for the period 4/15 through 8/15, the \$30 a month being withheld is not included in determining the amount of unearned income when computing Mr. Jones' AG benefit amount for 1/16 through 5/16.

2. Exception Does Not Apply

Alex Martin started receiving AG benefits and VA benefits in 5/15. His monthly VA benefit increased to \$360 in 8/15. The VA benefit increase when combined with other income caused Mr. Martin to become ineligible for AG benefits beginning in 9/15. He continued to be ineligible until 1/16 when the VA determined his

benefit should have been \$240 since 8/15. Therefore, Mr. Martin was overpaid a total of \$600 by VA from 8/15 through 12/15.

Mr. Martin once again started receiving AG benefits in 1/16. To recover the VA overpayment, his VA benefit is reduced by \$120 a month from 3/16 through 7/16. Since Mr. Martin did not receive AG benefits during the time he was overpaid, the \$120 a month withheld to recover the overpayment is included in determining the amount of Mr. Martin's current unearned income.

48.2.2. Unable To Determine If Exception Applies

If, after completing all development, you are unable to determine if the exception applies, do **not** include the amount being withheld to recover an overpayment when determining the amount of unearned income.

48.2.3. Multiple Overpayments

When two or more overpayments are being recovered at the same time, assume the overpayment recovery amount is first withheld to repay any overpayments not subject to the exception. Apply this assumption regardless of the chronological order in which the overpayments occurred.

For example, an individual receiving Title II was overpaid in 1999 and 2000. For purposes of collecting the overpayment, recovery is allocated in chronological order, i.e., the 1999 overpayment is satisfied first and then collection begins for the 2000 overpayment.

However, for the purposes of this section, if the Double Counting Exception applies only to the 1999 overpayment, assume the 2000 overpayment is satisfied first. Apply the exception to the 1999 overpayment but only after the 2000 overpayment collection has been satisfied.

Example

Mr. Smith was overpaid \$300 in VA benefits in 2014 and \$500 in 2015. VA began withholding \$100 a month in August 2015. The withholding will continue until the full \$800 is recovered, August 2015 through March 2016. Mr. Smith reapplied and was approved for AG in July 2015.

The worker determined that Mr. Smith did not receive AG during the 2015 overpayment period but did receive AG during the 2014 period and that the overpaid amount was used in determining his AG. Therefore, the double counting exception applies to the 2014 overpayment but does not apply to the 2015 overpayment. The worker must consider that the withheld amount is being used to pay the 2015 overpayment first as the double counting exception does not apply to it. This means the \$100 being withheld for the first five months, August through November 2015, will be counted as income in determining the AG payment. The \$100 withheld for December 2015 through March 2016 will not be counted as income.

49. Programs for Older Americans

Earned/Unearned Income

The Federal Government through the Administration on Aging is involved in a variety of programs for older Americans. The programs may be operated by State or local governments or community organizations. Some types of programs are:

- Health services;
- Nutrition services;
- Legal assistance; and
- Community service employment.

49.1. Income Treatment

49.1.1. Wage or Salary

A wage or salary paid under chapter 35 of title 42 of the U.S. Code, Programs for Older Americans, is earned income subject to the general AG policies on earned income. See Chapter I – 75.

49.1.2. Not a Wage or Salary

Anything provided under chapter 35 of title 42 of the U.S. Code, Programs for Older Americans, other than a wage or salary is excluded from income.

Example:

Income from the Green Thumb Program is excluded unearned income.

49.1.2.1. Verification**49.1.2.1.1. Program**

Use documents in the individual's possession, contact with the provider or a local council on aging, or a precedent to verify that the program is funded by the Federal Government under chapter 35 of “**The Older Americans Act**” and whether a wage or salary is paid.

49.1.2.1.2. Not a Wage Or Salary-Accept Allegation

Accept the individual's allegation of receipt of anything other than a wage or salary and exclude it without further development unless you have reason to question the allegation.

50. Railroad Retirement (RR) Payments**Unearned Income**

There are three basic categories of payments made by the Railroad Retirement Board (RRB):

- Life and survivor annuities;
- Title II benefits certified by RRB; and
- Unemployment, sickness, and strike benefits.

Note: RR checks bear beneficiary symbols that identify the type of RR benefit involved.

50.1. Identifying Receipt

Be alert to the possibility of the receipt of, or potential entitlement to, RR benefits in every case where:

- The individual's social security number begins with a "7"; or
- The individual alleges or other evidence indicates railroad employment by the individual or his/her spouse.

50.2. Income Treatment

Payments made by Railroad Retirement Board (RRB) are **unearned income** and are subject to the unearned and general income exclusions. The amount of the RR payment to count as income is the gross amount (unless the overpayment related double counting exception applies. See Chapter I – 47).

50.3. Life and Survivor Annuities

- **Life annuities** for retirement and disability are paid under the Railroad Retirement (RR) Act to the railroad employee and his/her spouse. Children of a living annuitant are not entitled to benefits.

Note: An increase in a beneficiary's check because of a dependent child is unearned income to the designated RR beneficiary.

- **Survivor annuities** are payable to widows, widowers, children, and dependent parents of railroad employees. A small number of widows receive two annuities, a regular widow's check and a check payable to them as designated survivors of retired railroad employees who elected to receive reduced benefits during their lifetimes.
- **RR annuity payments** are similar to Title II benefits in that a check for one month is paid the next month. Also, cost-of-living adjustments (COLA) for RR annuities are effective the same month as Title II COLA's.

50.3.1. Verification

Verify receipt of RR annuities by obtaining a copy of the individual's most recent award notice. If the notice is unavailable, record in the file the information from the individual's next check.

50.4. Social Security Benefits Certified By RRB

SSA may authorize the payment of Title II benefits for RR employees through RRB. Although RRB has responsibility for certifying Title II benefits in these situations, they remain Title II benefits.

Individuals entitled to this type of benefit receive two award notices. The first notice, from SSA, informs the beneficiary that RRB has responsibility for making

Title II payments. The final notice, from RRB, specifies the amount of the first check.

RR annuity payments and Title II benefits certified by RRB may be paid as a single check.

50.4.1. Verification

Verify the benefits through documents in the individual's possession or by contact with the source. The notice issued by RRB which specifies the amount of the first check is one form of evidence.

50.5. Unemployment, Sickness, And Strike Benefits

Unemployment, sickness, and strike benefits are computed on a daily basis with each check covering a period of up to 2 weeks. These claims are usually filed through the railroad employer or directly with RRB in Chicago.

50.5.1. Verification

Obtain evidence of unemployment, sickness, and strike benefits from the individual's own records, such as an award letter or actual check. If this evidence is unavailable, contact RRB headquarters in Chicago at:

Railroad Retirement Board
844 North Rush Street
Chicago, IL 60611

Local RRB offices do not maintain this information.

51. Real Or Personal Property (Other In Kind Income)

Unearned Income

Any item of real or personal property an individual receives which he can sell or convert is unearned income called "other in-kind income."

Note: If in-kind income is food, or shelter, it is called "in-kind support and maintenance" and is not counted as income.

51.1. Income Treatment

Receipt of real or personal property is **unearned income** and is subject to the unearned and general income exclusions.

51.1.1. Exception - Items That Will Be An Excluded Resource

The value of any non-cash item is not income if the item would become a partially or totally excluded **non-liquid** resource if retained into the month after the month of receipt.

Example: Receipt of a Specially Equipped Van

Eddie Glyndon is disabled and is confined to a wheelchair. A local church accepts donations from the community and purchases a van specially equipped with a wheelchair lift to transport Eddie. The church gives the van to Eddie. Since the van is his only vehicle and will become an excluded non-liquid resource in the month after he receives it, the value of the van is not income to Eddie.

51.1.2. Value

Other in-kind income is valued at its current market value. See the resource section that addresses the type of property received for the method to be used to establish and verify the current market value.

If the item received is not fully paid for and the individual is responsible for the balance, the paid-up value (i.e., the equity value) corresponding to the percentage of his/her ownership interest is other in-kind income. If the individual is not responsible for the balance, he/she receives other in-kind income equal to the amount of cash he/she could obtain upon sale of the item regardless of any indebtedness on the part of some other person.

Example - In-Kind Item that is Not Income

Mr. William Hurd's son purchased a furnace for his father's home when his old furnace stopped working. His son bought the furnace from the local utility company, and will pay for it in monthly installments on his utility bill. The utility company confirms that Mr. Hurd may not return the furnace for cash nor sell it since his son made the purchase, and it was purchased on credit. Therefore, the gift of the furnace is not income to Mr. Hurd.

52. Rebates and Refunds

Not Income

Rebates and refunds are the return of monies already paid, to the individual who paid it. Rebates and refunds may be received on items purchased and taxes paid.

52.1. Income Treatment

When an individual receives a rebate, refund, or other return of money he or she has already paid, the money returned is **not income**. The key idea in applying this guideline is that rebates and refunds are the **return of** an individual's own money.

Example:

Rose Woods, an elderly AG recipient, pays property taxes on the home she lives in. Because of her low income, the city government returns part of Mrs. Woods' property taxes in the form of a check. This return of money already paid by Mrs. Woods is not income.

52.2. Verification

Unless you have reason to question the situation, accept an individual's signed allegation that a rebate or refund of money is a return of money already paid and do not count it as income.

52.2.1. Questionable Situation

In questionable situations, make copies for the file of any documents in the individual's possession, and contact the source of the payment, etc., to verify that the payment is a return of money already paid.

53. Refugee And Cuban And Haitian Entrant Cash Assistance

Unearned Income

Refugee Cash Assistance and Cuban and Haitian Entrant Cash Assistance are federally funded programs which make ongoing needs-based payments to refugees during their first 18 months in the United States.

53.1. Income Treatment

Refugee Cash Assistance, Cuban and Haitian Entrant Cash Assistance and federally reimbursed general assistance payments to refugees are federally funded **unearned income** based on need and are counted dollar for dollar as income.

A payment under one of these programs is always considered to be a cash payment.

53.1.1. Exclusions

- The \$20 general income exclusion does not apply to this income. It is income based on need.
- Possible exclusions that may be applied are the Infrequent or Irregular Exclusion, the Spouse At Home Exclusion, or the Minor Child At Home Exclusion.

53.1.2. Payment To Family Unit Or Group

If a payment is made under one of these programs to a family unit or a group of people, the amount of the grant attributable to one individual in the family is determined by the incremental method (i.e., the income is the difference between the amount paid and the amount which would have been paid had the individual not been included).

53.2. Verification

Verify the amount of the assistance by contacting the individual's eligibility worker.

54. Rental Income

Earned or Unearned Income

Rent is a payment which an individual receives for the use of real or personal property, such as land, housing or machinery.

54.1. Income Treatment

Net rental income, gross income minus expenses, is unearned income unless the individual is someone who is in the business of renting properties. If the individual is someone who is in the business of renting properties, the income is earned income from self-employment. If it is determined the rental income is self-employment, use the section under Self-employment in Chapter I – 58 to evaluate it. This section applies to **unearned** rental income. Unearned rental income is subject to the unearned and general income exclusions.

54.1.1. Rental Deposits

Rental deposits are not income to the landlord while subject to return to the tenant. Rental deposits used to pay rental expenses become income to the landlord at the point of use.

54.1.2. Computation

Unearned net rental income is determined by subtracting the ordinary and necessary expenses of doing business from the gross rental income.

- **Determine** gross rent received and deductible expenses month - by - month.
- **Subtract** deductible expenses paid in a month from gross rent received in the same month.
- If deductible expenses exceed gross rent in a month, subtract the **excess expenses** from the next month's gross rent and continue doing this as necessary until the end of the tax year in which the expense is paid.
- If there are **still excess expenses**, subtract them from the gross rent received in the month prior to the month the expenses were paid and continue doing this as necessary to the beginning of the tax year involved.

Note: Do not carry excess expenses over to other tax years nor use them to offset other income.

54.1.3. Deductible Expenses

Ordinary and necessary expenses are those necessary for the production or collection of rental income. Deductible expenses include:

- Interest on debts;
- State and local taxes on real and personal property and on motor fuel;
- General sales taxes;
- Expenses of managing or maintaining property;
- Interest and escrow portions of a mortgage payment (at the point the payment is made to the mortgage holder);
- Real estate insurance;
- Repairs (i.e., minor correction to an existing structure);
- Property taxes;
- Lawn care;
- Snow removal;
- Advertising for tenants; and
- Utilities.

54.1.3.1. When to Deduct Expenses

Deduct expenses when paid, not when incurred.

54.1.3.2. Interest

- Use an individual's amortization schedule to determine interest expenses.
- If a schedule is not available, divide the yearly interest by twelve to determine monthly interest.

54.1.4. Nondeductible Expenses

Nondeductible expenses include:

- Principle portion of a mortgage payment;
- Capital expenditures (i.e., an expense for an addition or increase in the value of property which is subject to depreciation for income tax purposes); and
- Depreciation or depletion of property.

54.1.5. Proration Of Expenses

When only a portion of a property is rented out, it is necessary to determine the portion of the expenses that apply to the rented property. This is done by prorating the expenses as follows.

Note: Any expenses strictly related to a particular rental unit are deducted in total from the rent for that unit. Such expenses are not prorated.

54.1.5.1. Multiple Family Residence

In a multiple family residence:

- If the units in the building are of approximately **equal size**, prorate allowable expenses based on the number of units designated for rent compared to the total number of units.
- If the units are **not** of approximately **equal size**, prorate allowable expenses based on the number of rooms in the rental units compared to the total number of rooms in the building. (The rooms do not have to be occupied.)

54.1.5.2. Rooms in Single Residence

For rooms in a single residence:

- Prorate allowable expenses based on the number of rooms designated for rent compared to the number of rooms in the house.
- Do not count bathrooms as rooms in the house.

- Count basements and attics only if they have been converted to living spaces (e.g., recreation rooms).

Example - Proration of Room Rental Expenses

Mr. Joshua Steele, an AG recipient, rents out a room in his house to a cousin. The house has six rooms excluding the bathroom. Since Mr. Steele's expenses (interest on a mortgage, utilities, etc.) are for the whole house, only one-sixth of the expenses is deducted from the gross rent.

54.1.5.3. Land

Prorate expenses based on the percentage of total acres that is for rent.

54.1.6. Joint Owners

Absent evidence to the contrary, apportion net rental income equally among owners. (A signed statement can be acceptable evidence if it reasonably explains why apportionment is not equal.)

If the gross rent is split between two joint owners before expenses are paid, deduct expenses paid by the SSI recipient from his/her portion of the gross rent.

54.2. Verification

- **Use documents** in the individual's possession (e.g., bills, receipts, etc.) to verify the gross rent and the dates received, and the expenses and the dates paid.
- **If no documents are available**, obtain a signed statement explaining why no documents are available and providing an allegation of the gross rent and expenses paid for the period involved. **Do not** contact the tenants to verify the allegation.
- If you are **uncertain** whether an expense is allowable (e.g., whether it is an incidental repair or a capital expenditure), contact the local Internal Revenue Service (IRS) or refer to IRS Publication 527. Document the file with the information obtained from IRS.

54.3. Refunds on Paid Expenses

If the AG recipient receives a refund for an expense already paid (e.g., a property tax refund), recalculate his/her net rental income for the period involved.

55. Repair/Replacement Payments for Lost, Damaged or Stolen Resources

Income/Not Income

Individuals may receive payments to repair or replace items damaged or lost as the result of a catastrophe. Funds received to repair or replace **non-excluded** resources or personal injury is unearned income in the month received and, if retained, a resource the month following the month of receipt. Funds received to repair or replace **excluded** resources are not income.

55.1. Verification

Obtain a copy of any evidence the individual has that shows the source, value, date(s), and intended purpose of the items received, including whether any cash received is for a purpose other than the replacement or repair of the lost, damaged, or stolen (and excluded) resource.

56. Replacement of Income Already Received

Not Income

If an individual's income is lost, stolen, or destroyed and the individual receives a replacement, the replacement is **not income**. Once a payment has been issued and treated as income in determining an individual's eligibility for AG, the reissuance of that same payment is **not income**.

56.1. Verification

Accept an allegation that the payment is a replacement and exclude the income without further development unless you have reason to question the allegation. If questionable, verify the type and source of the payment through documents in the individual's possession or by contact with the source of the payment.

57. Retirement Funds

Retirement funds are annuities or work-related plans for providing income later in life or when employment ends (e.g., pension, disability, or retirement plans administered by an employer or union). Other examples are funds held in an individual retirement account (IRA) and plans for self-employed individuals, sometimes referred to as Keogh plans. Also, depending on the requirements established by the employer, some profit sharing plans may qualify as retirement funds.

This section applies to all items that meet the above definition of retirement funds. Retirement funds may be evaluated as a resource or as income.

57.1. Resource Or Income

The treatment of retirement funds is based on the availability of the funds and if available, the payout options. The funds may not be available, may be paid out in periodic payments or may be available in a lump sum payment.

Unavailable funds are neither income nor a resource. If the funds are distributed in periodic payments, the payments are income in the month received. If the funds can be distributed as a lump sum, the value of the fund is a resource.

57.1.1. Periodic Payments

Periodic retirement benefits are payments made to an individual at some regular interval (e.g., monthly). If the individual receives periodic payments, the payments are evaluated as unearned income in the month received. The balance of the retirement funds is not a resource.

If the individual has a choice between periodic benefits and a lump sum, he/she must choose the periodic benefits.

57.1.1.1. Requirement To Apply

If an individual is eligible for periodic retirement benefits, he/she must apply for those benefits. If he/she fails to apply, he/she does not meet the non-financial requirement to apply for other benefits and will be ineligible for AG. (Application for Other Benefits, Chapter C - 10)

Note: The individual does not have to pursue withdrawal if the funds are only available in a lump sum payment.

57.1.2. Lump Sum Payments

A lump sum payment is a payment that is issued once and includes the full amount of money that an individual can withdraw from the fund.

A retirement fund owned by an eligible individual is a resource if periodic payments have been denied and he/she has the option of withdrawing a lump sum. Withdrawal of the lump sum is not income but is a conversion of a resource.

57.2. Verification

Verify the source of the benefits, the availability of funds, the payment options, the approval/denial of a request for periodic payments, and the amount of available funds.

58. Royalties

Earned Income/Unearned Income

Royalties include compensation paid to the owner for the use of property, usually copyrighted material (e.g., books, music, or art) or natural resources (e.g., minerals, oil, gravel or timber). Royalty compensation may be expressed as a percentage of receipts from using the property or as an amount per unit produced.

To be considered royalties, payments for the use of natural resources also must be received:

- Under a formal or informal agreement whereby the owner authorizes another individual to manage and extract a product (e.g., timber or oil), and
- In an amount that is dependent on the amount of the product actually extracted.

58.1. Income Treatment

58.1.1. When Royalties Are Earned Income

Royalties are earned income when they are:

- Received as part of a trade or business; or
- Received by an individual in connection with any publication of his/ her work (e.g., publication of a manuscript, magazine article, or artwork)

Evaluate royalties that are earned income as wages. See Wages Chapter I – 75.

58.1.2. When Royalties Are Unearned Income

Royalties that are not earned income are unearned income and are subject to the unearned and general income exclusions.

58.1.3. Gross vs. Net Income

When documents concerning royalty payments provide both a gross and a net payment amount, you must determine which figure to use.

- When the difference between the gross and the net figures is due to income taxes withheld or windfall profit tax deductions, use the gross figure when determining income.
- When the difference between the gross and net figures represents a production or severance tax, use the net figure when determining income. The production or severance tax is a cost of producing the income and, therefore, is deducted from the gross income. (e.g., most oil royalties will be reduced by this tax.)

58.2. Verification

- Verify that payments received meet the definition of royalty by obtaining a copy of the agreement between the parties involved. If the agreement is unclear, unavailable, or informal, contact the company or source of the payment.
- Verify the amounts and frequency of royalty payments by examining documents in the individual's possession. If documents are unclear or unavailable, contact the company or source of the royalty.

59. Self-Employment (NESE)

Earned Income

Net earnings from self-employment (NESE) are the **gross income** from any trade or business **less allowable deductions** for that trade or business. NESE also includes any profit or loss in a partnership.

59.1. Income Treatment

When a self-employment situation is identified, contact your AG consultant for instructions.

60. Sheltered Workshop Wages

Earned Income

Payments for services performed in a sheltered workshop or work activities center are what an individual receives for participating in a program designed to help him/her become self-supporting. Payments for such services are a type of **earned income**.

An individual may receive cash or other items which are not remuneration for services and therefore are not earned income. Those items must be evaluated to determine if they are unearned income.

A sheltered workshop is a nonprofit organization or institution whose purpose is:

- To carry out a recognized program of rehabilitation for handicapped workers; and/or
- To provide such individuals with remunerative employment or other occupational rehabilitating activity of an educational or therapeutic nature.

A work activities center is:

- A sheltered workshop, or
- A physically separated department of a sheltered workshop having an identifiable program, and separate supervision and records.

60.1. Income Treatment

Evaluate the income as wages using procedures under Wages Chapter I – 75.

61. Sick Pay/Sick Leave

Earned/Unearned Income

When an individual is out of work due to illness or disability, he/she may receive compensation for his/her period of absence. Two methods may be used to compensate the individual. The individual may use his/her sick leave or annual leave to assure his/her income continues or he/she may receive sick pay. The type of compensation received and when it is received determines how the compensation is counted.

Note: This section does not apply to Worker's Compensation Benefits. See Chapter I – 76.

61.1. Annual and Sick Leave Payments

Annual and sick leave payments are considered a continuation of salary. Annual and sick leave that is donated to an individual is treated the same as if it were the individual's own leave.

61.1.1. Income Treatment

The gross wages are counted as income to the individual. No additional income results from sick leave or donated leave. See Wages Chapter I – 75.

61.2. Sick Pay (Other Than Annual/Sick Leave)

Sick pay is a payment made to or on behalf of an employee by an employer or a private third party (such as a union or an insurance company) for sickness or accident disability.

61.2.1. Income Treatment

Sick pay is either wages or unearned income.

The following chart shows how to treat sick pay.

WHEN RECEIVED	ATTRIBUTABLE TO EMPLOYEE'S OWN CONTRIBUTION?	TYPE OF INCOME
More than 6 full calendar months after stopping work	N/A	Unearned Income
Within 6 full calendar months after stopping work	No	Wages
Within 6 full calendar months after stopping work	Yes	Unearned Income

61.2.1.1. Worker's Contribution

When sick pay is alleged within 6 full calendar months after stopping work, it must be determined whether or not the employee contributed by payroll deduction toward a sick pay plan by reviewing the pay slips or contact with the employer. Any sick payment, or portion thereof, received by an employee during the first 6 full calendar months after stopping work, which, according to the employer, are attributable to the employee's own contribution, is **not** wages.

Example: John is still within 6 months of stopping work and receives sick pay of \$400 per month. John's employer advises that 40% of sick pay is attributable to John's own contribution. John should be charged with \$240 earned income ($\$400 \times 60\%$) and \$160 unearned income ($\$400 \times 40\%$).

61.2.1.1.1. Six Month Period

To determine the 6-month period after stopping work:

- Begin with the first day of non-work.
- Include the remainder of the calendar month in which work stops.
- Include the next 6 full calendar months.

Example: If an individual stops work on May 5, the 6-month period begins on May 6 and runs through November 30.

61.2.1.2. Possible Exclusions**61.2.1.2.1. Unearned Income**

Possible exclusions that may be applied to unearned income are the unearned and general income exclusions.

61.2.1.2.2. Earned Income

Possible exclusions that may be applied to earned income are the general and the earned income exclusions.

61.2.2. Verification

- **Earned Income**
 - Verify sick pay which is wages by using the wage verification procedure in Wages Chapter I – 75.
 - Verify the last day (or month) worked with the employer or knowledgeable third party.

- **Unearned Income**

Verify sick pay that is unearned income through documents in the individual's possession or by contact with the source.

62. Social Security Administration (SSA) Benefits

Unearned Income

Retirement, Survivors, and Disability Insurance (RSDI) monthly benefits are benefits paid under Title II of the Social Security Act.

62.1. Income Treatment

Generally, the gross amount of Title II benefits is **unearned income** and is subject to the unearned and general income exclusions. (See Death Benefits Chapter I – 20 for treatment of lump-sum death payments.)

62.1.1. Worker's Compensation Offset

If a monthly benefit payment has been reduced because of a worker's compensation offset, the **net** amount of the benefit received (plus any SMI premium withheld) is unearned income.

62.1.2. Prior Overpayment

If all or part of a Title II benefit is being withheld to recover an overpayment, the amount of Title II before deduction for the overpayment (the gross amount) is unearned income (unless the overpayment related double counting exception applies. See Chapter I – 47).

If the exception applies (i.e., the overpayment occurred when the individual was receiving AG and the overpaid amount was included in unearned income at that time), the amount deducted for an overpayment is **not included** in calculating countable Title II income.

62.1.3. Supplementary Medical Insurance (SMI) Premiums

The amount of premiums deducted from RSDI benefits for SMI under Medicare is unearned income. Refunded SMI premiums are **not** income. See Rebates and Refunds Chapter I – 51.

62.1.4. Garnishment of Title II Benefits

If a monthly Title II benefit payment has been reduced because of a garnishment, the **gross** amount of the benefit received is unearned income.

62.2. Verification

Use SVES to verify RSDI benefits.

62.3. When To Count Retroactive RSDI Benefits

Other than the following exceptions below, retroactive RSDI benefits, whether paid in one lump sum or by installment, are counted as unearned income in **the month payment is received.**

Note: Reissued conserved funds, whether paid in a lump sum or in installments, are not considered unearned income in the month of reissuance since such funds were previously considered in the month of original receipt.
(Conserved funds are SSA payments for a prior period that were held by SSA.)

63. Temporary Assistance For Needy Families (TANF)**Unearned Income**

TANF programs use income as a factor of eligibility, and are considered income based on need (IBON).

63.1. Income Treatment

The AG claimant's share of a TANF grant is counted dollar for dollar as income.

63.1.1. Exclusions

The \$20 General Income Exclusion does not apply to this income.
TANF is subject to the other unearned and general income exclusions.

63.2. Verification

Verify the individual's portion of the TANF grant through ADAPT or by contact with the TANF eligibility worker.

64. Tips

Earned/Unearned Income

Tips are a gift or a sum of money tendered for a service performed or anticipated. Cash tips may be received in two ways directly, from an individual or indirectly, i.e., a customer designates a tip amount on a credit card.

64.1. Income Treatment

Cash tips received by an employee in the course of employment by any one employer are **wages** if the tips **total \$20 or more** in a calendar month. Tips **under \$20** per month are **unearned income** and are subject to the unearned and general income exclusions. Tips are deemed to have been paid at the time such income was received by the employee.

Tips that total \$20 or more in a calendar month are wages even if the employee receives no regular salary. See Wages Chapter I – 75.

64.2. Verification

Accept the individual's written record of dates and amounts of tips received.

65. Trust Disbursements

Unearned Income/Not Income

Disbursements from the trust principal to or for the AG individual must be evaluated to determine if they are income to the individual.

65.1. Trust Principal Is Not a Resource

If the trust principal is not a resource, disbursements from the trust may be income to the AG recipient beneficiary, depending on the nature of the disbursements. Apply regular income rules to determine when income is available.

65.1.1. Disbursements Which Are Income

Cash paid directly from the trust to the individual is unearned income.

65.1.2. Disbursements Which Are Not Income

Disbursements from the trust by the trustee to a third party that result in the individual receiving goods and services are not income. For example, if trust funds are paid to a provider of medical services for care rendered to the individual, the disbursements are not income for AG purposes.

Exception:

If disbursements are paid to the ALF/AFCH provider, the amount paid is income to the individual.

65.2. Trust Principal Is a Resource

If the trust principal is a resource to the individual, disbursements from the trust principal received by the individual are not income, but conversion of a resource.

66. Trust Earnings And Additions

Unearned Income/Not Income

This section addresses how to determine if income generated by a trust and additions to the trust principal are income to the AG individual.

Trust earnings or income are **amounts earned by the trust principal**. They may take such forms as interest, dividends, royalties, rents, etc. These amounts are unearned income to the person (if any) legally able to use them for personal support and maintenance.

66.1. Trust Principal Is Not a Resource

66.1.1. Trust Earnings

Trust earnings are not income to the AG who is the trustee or grantor **unless** designated as belonging to the trustee or grantor under the terms of the trust; e.g., as fees payable to the trustee or interest payable to the grantor.

Trust earnings are not income to the AG applicant or recipient who is a trust beneficiary **unless** the trust directs, or the trustee makes, payment to the beneficiary.

66.1.2. Additions to Principal

Additions to trust principal made directly to the trust are not income to the grantor, trustee or beneficiary.

66.1.2.1. Exceptions

Certain payments are non-assignable by law and, therefore, are income to the individual entitled to receive the payment under regular income rules. They may not be paid directly into a trust, but individuals may attempt to structure trusts so that it appears that they are so paid. Non-assignable payments include:

- Railroad Retirement Board-administered pensions;
- Veterans pensions and assistance;
- Federal employee retirement payments (CSRS, FERS) administered by the Office of Personnel Management;
- Social Security title II and SSI payments; and
- Private pensions under the Employee Retirement Income Security Act (ERISA) (29 U.S.C.A. section 1056(d)).

66.1.2.2. Assignment of Income

A legally assignable payment that is assigned to a trust is income for AG purposes **unless** the assignment is irrevocable. If the assignment is revocable, the payment is income to the individual legally entitled to receive it.

66.2. Trust Principal Is a Resource

66.2.1. Trust Earnings

Trust earnings are income to the individual for whom trust principal is a resource, unless the terms of the trust make the earnings the property of another.

66.2.2. Additions to Principal

Additions to principal may be income or conversion of a resource, depending on the source of the funds. If funds from a third party are deposited into the trust, the funds are income to the individual. If funds are transferred from an account owned by the individual to the trust, the funds are not income, but conversion of a resource from one account to another.

67. VA Aid and Attendance and Housebound Allowances

Not Income

VA pays an allowance to veterans, spouses of disabled veterans, and surviving spouses who are in regular need of the aid and attendance of another person or who are housebound. **This allowance is combined with the individual's pension or compensation payment.**

67.1. Income Treatment

VA aid and attendance and housebound allowances are **not income** for AG purposes subtract the attendance and housebound allowance from the compensation and pension.

67.2. Verification

It is necessary to determine if the individual's payment includes an additional amount for aid and attendance. It is not necessary to verify the actual amount of them. It is necessary to verify the amount of compensation or pension that is received for her/him. See VA Compensation and Pension Payments Chapter I – 70.

68. VA Apportioned Benefits

Unearned Income

Apportionment is direct payment of the dependent's portion of VA benefits to a dependent spouse or child. The VA decides whether and how much to pay by apportionment on a case-by-case basis. Apportionment reduces the amount of the augmented benefit payable to the veteran or veteran's surviving spouse.

68.1. Income Treatment

A portion of a VA benefit paid by apportionment to a dependent spouse or child is **unearned income** to the dependent spouse or child and is subject to the unearned and general income exclusions.

68.2. Child

For purposes of this section, a **child** is a son or daughter (biological, adoptive, or by marriage) who is:

- Under age 18, **or**
- Age 18-22 (inclusive) and a student, **or**
- Age 18 or older, and disabled since before age 18.

68.3. Dependent

For purposes of this section, a **dependent** is a veteran's child or spouse (other than a surviving spouse) who is or was dependent on the veteran for financial support, as determined by the VA.

68.4. Verification

Use the following verification methods.

- A VA award letter or comparable document in the individual's possession;
- A benefit check in combination with a signed statement from the individual that provides the frequency of payment and affirms that VA makes no deductions (such as insurance premiums, loan payments, and overpayment deductions).

69. VA Augmented Benefits

Unearned Income

The Department of Veterans Affairs (VA) often considers the existence of dependents when determining a veteran's or a veteran's surviving spouse's eligibility for pension, compensation, and educational benefits. If dependents are involved, the amount of the benefit payable may be larger; it may be augmented.

An **augmented benefit** is an increase in benefit payment to a veteran or a veteran's surviving spouse or higher VA income eligibility limits, because of a dependent. (For AG purposes, the augmented benefit includes a beneficiary's portion and one or more dependents' portion). An augmented VA benefit usually is issued as a single payment to the veteran or the veteran's surviving spouse.

69.1. Income Treatment

An absent dependent's portion of an augmented VA benefit, received by the designated beneficiary on or after November 17, 1994 is **not VA income** to either the dependent or the individual receiving it. This is true even if the designated beneficiary continues to receive the absent dependent's portion.

Note: If the absent dependent is the AG applicant/recipient, he/she will be required to file for apportionment of the augmented VA benefit. Apportionment would have the absent dependent's portion of the benefit issued directly to the dependent. See Chapter C – 10.

69.1.1. Portion Given To Absent Dependent

A payment from a designated beneficiary to an absent dependent is not VA income to the absent dependent. It is **unearned income** in the form of a gift, a support payment, or other income.

Example:

Robert Jones, age 17, and his father Raymond Jones is an AG recipient. Raymond Jones' VA pension is \$450 per month, which includes a \$50 portion for Robert as his only dependent. Because Robert is an absent dependent, the \$50 Mr. Jones receives on behalf of Robert is not income to himself or Robert. The worker counts \$400 as VA pension income for Mr. Jones.

69.2. Verification

It is necessary to determine if the individual's payment includes an additional amount for dependents but it is not necessary to verify the actual amount of them. It is necessary to verify the amount of compensation or pension that the individual receives for her/himself.

Use the following verification methods.

- A VA award letter or comparable document in the individual's possession;

- A benefit check in combination with a signed statement from the individual that provides the frequency of payment and affirms that VA makes no deductions (such as insurance premiums, loan payments, and overpayment deductions); or
- To verify certain current benefit information for veterans and surviving spouses, you may call the VA at 1-800-827-1000.

70. VA Clothing Allowance

Not Income

A lump sum clothing allowance is payable in August of each year to a veteran with a service-connected disability for which a prosthetic or orthopedic appliance (including a wheelchair) is used. The allowance is intended to help defray the increased cost of clothing due to wear and tear caused by the use of such appliances.

70.1. Income Treatment

A VA clothing allowance is **not income**.

70.2. Verification

Accept the individual's allegation concerning a VA clothing allowance. No further verification is required.

71. VA Compensation And Pension Payments

Unearned Income

71.1. Compensation Payments

Compensation payments are based on service-connected disability or death. With one exception noted below VA compensation payments are not based on need.

71.2. Pensions Payments

Pension payments are based on a combination of service and a non-service-connected disability or death. With two rare exceptions noted below, VA pension payments are based on need.

71.3. Inclusion Of Other Payments

The VA payment an individual receives will include the amount he/she is due as compensation or pension and may include other types of payments as well. **Only the amount of the actual compensation or pension is countable as income.**

The total amount received may include:

- Payment for the individual's unusual medical expenses
- A payment for the individual's dependent (An augmented payment)
- An aid and attendance or housebound allowance

Each of these types of payments is not income for AG and must be excluded when determining countable income.

71.3.1. Verification Of Other Payments

It is necessary to determine if the individual's payment includes an additional amount for either of these other payments but it is not necessary to verify the actual amount of them. It is necessary to verify the amount of compensation or pension that is received.

71.4. Frequency Of Receipt

Payments are usually paid monthly; however, when the monthly payment due is less than \$19, VA will pay quarterly, biannually, or annually. VA may also make an extra payment if an underpayment is due.

71.5. Income Treatment

VA pensions and compensation payments are **unearned** income and are subject to the unearned and general income exclusions. It is necessary to know if the VA compensation or pension is needs based or not in order to determine if the \$20 General Exclusion can be applied.

70.5.1 Needs-Based Payments

71.5.1.1. Pension Payments

Assume that a VA pension is partly or entirely needs based unless there is evidence to the contrary. All VA pension payments except those based on a Medal of Honor status or those granted by a special act of congress are federally funded income based on need.

71.5.1.2. Surviving Parent Compensation

Payments to a surviving parent of a veteran are the only needs based compensation payments.

71.5.1.3. \$20 General Exclusion

These payments are federally funded income based on need. As such, these payments are unearned income to which the \$20 general income exclusion **does not** apply.

71.5.2. Payments Not Based On Need**71.5.2.1. Compensation Payments**

Compensation payments to a veteran, spouse, child, or widow/widower are **unearned** income.

71.5.2.2. Certain Pensions Payments

Certain pensions paid to veterans or their dependents are not needs based. They are pensions paid on the basis of:

- A Medal of Honor; or
- A special act of Congress.

71.5.2.3. \$20 General Exclusion

These payments are not income based on need. As such, these payments are unearned income to which the \$20 general income exclusion **does** apply.

71.6. Recoupment Of Severance Pay Deduction

A "recoupment of severance pay" may be deducted from VA compensation payments. This recoupment is a benefit offset and is not an overpayment recovery. It is not income.

- To verify these deductions, use documents in the individual's possession (e.g., statement showing the deduction), or contact the VA for verification.

71.7. Verification

Use the following verification methods.

- A VA award letter or comparable document in the individual's possession.
- A benefit check in combination with a signed statement from the individual that provides the frequency of payment and affirms that VA makes no deductions (such as insurance premiums, loan payments, and overpayment deductions).
- To verify certain current benefit information for veterans and surviving spouses, you may call the VA at 1-800-827-1000.

71.8. Procedure

Follow the procedure in the table below for verifying and counting VA compensation and pensions.

STEPS	VA COMPENSATION AND PENSION PROCEDURES ACTIONS
Step 1	<p>Is the VA compensation or pension payment a needs based payment?</p> <ul style="list-style-type: none"> • Yes - go to Step 2. • No - go to Step 6.
Step 2	<p>The payment is needs based. Screen for unusual medical expenses.</p> <p>Did the individual or any member of his/her family report any income (other than AG) to VA?</p> <ul style="list-style-type: none"> • Yes or unknown - continue in this step. • No - go to Step 3. No payment for unusual medical expenses are included

STEPS	VA COMPENSATION AND PENSION PROCEDURES ACTIONS
	<p>Did VA ever notify the individual (or the VA claimant) that medical expenses were considered in the VA payment?</p> <ul style="list-style-type: none"> • Yes or unknown - continue in this step. • No - go to Step 3. No payment for unusual medical expenses are included <p>Has the individual (or the VA claimant) ever reported medical expenses to VA?</p> <ul style="list-style-type: none"> • Yes or unknown - the payment may include payment for unusual medical expenses. Go to Step 3. • No - no payment for unusual medical expenses is included. Go to Step 3.
Step 3	<p>Develop for augmentation if dependents may be involved.</p> <p>Does the VA benefit include money for any dependents?</p> <ul style="list-style-type: none"> • Yes or unknown - continue in this step. • No - go to step 4. <p>Does the veteran or veteran's surviving spouse have a living spouse or child (including an adult child disabled since childhood)?</p> <ul style="list-style-type: none"> • Yes - the payment may include an augmented portion for a dependent. Go to step 4. • No - no augmented payment is included. Go to step 4.

STEPS	VA COMPENSATION AND PENSION PROCEDURES ACTIONS
Step 4	<p>Screen for an aid and attendance or housebound allowance.</p> <p>Is the individual:</p> <ul style="list-style-type: none"> • Alleging an aid and attendance or housebound allowance; or • Is housebound; or • Is blind; or • Is unable to dress or care for him/herself; or • Is single and severely and permanently disabled or otherwise appears to require the assistance of someone else on a day-to-day basis <ul style="list-style-type: none"> ○ Yes - continue in this step. ○ No - no payment for aid and attendance or housebound allowance is included. Go to Step 5. <p>Ask the individual if he receives an aid and attendance or housebound allowance.</p> <ul style="list-style-type: none"> ○ Yes - the payment may include an aid and attendance or housebound allowance. Go to step 5. ○ No - no payment for aid and attendance or housebound allowance is included. Go to Step 5.

STEPS	<p style="text-align: center;">VA COMPENSATION AND PENSION PROCEDURES</p> <p style="text-align: center;">ACTIONS</p>
<p>Step 5</p>	<p>Are unusual medical expenses, augmentation, or an aid and attendance or housebound allowance at issue in the case?</p> <ul style="list-style-type: none"> • Yes - these payments must be excluded as they are not income for AG purposes. <ul style="list-style-type: none"> ○ Request that VA verify the amount of the compensation/pension received exclusive of any payment for augmentation, unusual medical expenses, and aid and attendance or housebound allowances. Subtract the amount from the compensation and pension, as this is not countable for AG purposes. • No - verify the gross amount and frequency of payment using (in order of priority): <ul style="list-style-type: none"> ○ A VA award letter or comparable document in the individual's possession; ○ A benefit check in combination with a signed statement from the individual that provides the frequency of payment and affirms that VA makes no deductions (such as insurance premiums, loan payments, and overpayment deductions) ○ Note: To verify certain current benefit information for veterans and surviving spouses, you may call the VA at 1-800-827-1000. <p>Count the verified compensation/pension payment as unearned income. The \$20 General Exclusion does not apply. STOP</p>

STEPS	VA COMPENSATION AND PENSION PROCEDURES ACTIONS
Step 6	<p>The payment is not needs based.</p> <p>Verify the gross amount and frequency of payment using (in order of priority):</p> <ul style="list-style-type: none"> • A VA award letter or comparable document in the individual's possession; • A benefit check in combination with a signed statement from the individual that provides the frequency of payment and affirms that VA makes no deductions (such as insurance premiums, loan payments, and overpayment deductions) <p>Note: To verify certain current benefit information for veterans and surviving spouses, you may call the VA at 1-800-827-1000.</p> <p>Count the verified payment as unearned income. The \$20 General Exclusion does apply.</p>

72. VA Educational Benefits

Unearned Income

VA provides educational assistance under a number of different programs including vocational rehabilitation. Veterans and dependents and survivors of veterans may be eligible for educational benefits.

72.1. Income Treatment

VA educational benefits other than those listed below are unearned income and are subject to the unearned and general income exclusions.

72.2. What Is Not Income

72.2.1. Vocational Rehabilitation

Payments made as part of a VA program of vocational rehabilitation are not income. This includes any augmentation for dependents.

72.2.2. Withdrawal of Contributions

Any portion of a VA educational benefit which is a withdrawal of the veteran's own contribution is conversion of a resource and is not income.

72.2.3. Augmented Benefits

Benefits issued under Chapter 31 (Training and Rehabilitation for Veterans with Service Connected Disabilities) or a VA program of vocational rehabilitation may be augmented. The augmented portion of the payment is not income to the individual.

72.3. Contributory/Non-Contributory Programs

Some VA educational benefits are based on contributions by the veteran and some are not. A “contributory” VA educational program is one in which the veteran contributed to the educational fund while in the service and VA matches the money when the veteran withdraws it to pursue an education. A “non-contributory” VA educational program is one in which the veteran did not contribute to the educational fund.

72.3.1. “Contributory” Programs

Only one of the VA educational benefits programs is contributory, Chapter 32 (Veterans Educational Assistance Program (VEAP). Payments from this program may include funds the individual contributed and VA funds. Any portion of a VA educational benefit which is a withdrawal of the veteran's own contribution is conversion of a resource and is not income. The remaining portion of the benefits is **unearned income** subject to the exclusion for educational expenses.

72.3.1.1. Verification

Verify this information with the VARO. Ask them to verify the dollar amount of the periodic payments and the amount of the payment that represents a return of the veteran's own contribution.

72.3.2. “Non-Contributory” Programs

The following VA educational programs are non-contributory. All benefits received under these programs are unearned income subject to the exclusion for educational expenses.

- Chapter 30 (Active Duty Educational Assistance Program (“new” GI Bill)) —
- Chapter 31 (Training and Rehabilitation for Veterans with Service Connected Disabilities)
- Chapter 35 (Survivors and Dependents Educational Assistance Program)
- Chapter 106 (Selected Reserve Program)

72.4. Frequency Of Payment

Payments are usually made monthly only for those months the veteran is in school. If school attendance is less than full time, the payments may be made less frequently.

72.5. Exclusions

Any portion of a grant, scholarship, or fellowship used for paying tuition, fees, or other necessary educational expenses is excluded from income.

Only that portion of an educational payment which is income to the individual obtaining the education is subject to the exclusion for educational expenses. The augmented portion which is income to the **dependent of the student** is not subject to this exclusion.

72.5.1. Tuition, Fees, and Other Necessary Educational Expenses

Educational expenses include laboratory fees, student activity fees, transportation, stationery supplies, books, technology fees, and impairment-related expenses necessary to attend school or perform schoolwork (e.g., special transportation to and from classes, special prosthetic devices necessary to operate school machines or equipment, etc.).

Deduct the amount of tuition, fees, and other necessary educational expenses from the gross amount of the assistance. Use any **reasonable method** for deducting educational expenses from income.

72.5.1.1. Verification of Expenses

Determine the amount of tuition, fees, and other necessary educational expenses.

- Use receipts, bills with cancelled checks, contact with the provider, etc., to verify expenses paid. If an expense is verified as incurred but not paid, assume the individual will pay the expense unless you have reason to question the situation. No follow-up is required if the assumption is applied.
- Use your judgment to determine whether payment of an expense was a necessary part of obtaining an education.
- A signed allegation is acceptable evidence of expenses when it is unreasonable to obtain other evidence (e.g., daily bus-fare, small expendable items, etc.). Do not apply this tolerance to major expenses such as tuition, fees, and books.

72.5.2. Other Exclusions

The unearned general income exclusions may be applied to VA educational assistance. They are applied to the balance remaining after the exclusion of necessary educational expenses.

73. VA Unusual Medical Expenses Payment

Not Income

VA considers unusual medical expenses when determining some needs-based pension and compensation payments. Expenses which exceed 5 percent of the maximum annual VA payment rate are considered unusual. The amount of the unusual medical expenses is deducted from countable income when computing the VA payment. As a result, the veteran, survivor, or dependent may receive a higher monthly VA payment, an extra payment, or an increase in an extra payment.

73.1. Income Treatment

VA payments resulting from unusual medical expenses are **not income**.

73.2. Resources

Any unspent VA payments resulting from unusual medical expenses are resources if retained into the calendar month following the month of receipt.

73.3. Verification

It is necessary to determine if the individual's payment includes an additional amount for unusual medical expenses but it is not necessary to verify the actual amount of them. It is necessary to verify the amount of compensation or pension that is received.

74. Veterans' Children with Certain Birth Defects Payments

Unearned Income

The Department of Veterans Affairs (VA) provides three types of benefits to natural children of veterans:

- Benefits for Vietnam veterans' children born with spina bifida,
- Benefits for Korea service veterans' children born with spina bifida, and
- Benefits for women Vietnam veterans' children born with certain birth defects.

Children do not receive benefits under more than one of these programs. VA determines eligibility for VA benefits.

74.1. Child

For purposes of this VA benefit, the **child status is not changed by age or marital status.**

74.2. Exclusion

These types of VA benefits are excluded from income and resources for AG purposes.

Note: Interest and dividends earned on unspent payments are also excluded from income.

74.3. Verification

Use documents such as letters or notices from VA to verify the type of payment.

- If documents from VA show the type of the payment, use the documents as proof of the type of payment.
- If documents from VA do not show the type of the payment or no documents are available to verify the type of payment, contact VA.

75. Victims' Compensation Payments

Unearned Income

Some states have established funds to compensate victims of crime. Payments issued from such a state-established fund are excluded unearned income.

75.1. Exclusion

Any payment received from a fund established by a State to aid victims of crime is excluded from income.

75.2. Verification

Verify that the compensation came from a state-established fund to aid victims of crime. This can be done by using documents in the individual's possession, contacting the provider or using a precedent. Once verified accept the individual's allegation of amounts and date of receipt and exclude the payment without further development.

76. Wages

Earned Income

Wages are what an individual receives (before deductions) for working as someone else's employee. Absent evidence to the contrary, if FICA taxes have been deducted from an item assume it meets the definition of wages.

Note: Under certain conditions, services performed as an employee are deemed to be self-employment rather than wages (e.g., ministers, real estate agents, newspaper vendors, statutory employees, etc.). See Self-Employment Chapter I – 58.

76.1. Wages May Take The Form Of:

- **Salaries** — These are payments (fixed or hourly rate) received for work performed for an employer.
- **Commissions** — These are fees paid to an employee for performing a service (e.g., a percentage of sales).

- **Bonuses** — These are amounts paid by employers as extra pay for past employment. (e.g., for outstanding work, length of service, holidays, etc.)
- **Severance pay** — This is payment made by an employer to an employee whose employment is terminated independently of his wishes or payment is made due to voluntary early retirement.
- **Special payments received because of employment** — These are items such as vacation pay, advanced/deferred wages, etc.
- **Sick pay** received within 6 months after stopping work, which is not attributable to the employee's contribution.
- **AmeriCorps and National Civilian Community Corps Payments**
- **Tips** – Tips are earned income when they equal or exceed \$20 per month.

76.2. Income Treatment

Wages are **earned income** and are subject to the earned and general income exclusions.

76.2.1. Wage-Related Payments

Employers make various payments on behalf of their employees that are **not** earnings.

The following payments by an employer are not income unless the funds for them are deducted from the employee's salary:

- Funds the **employer** uses to purchase qualified benefits under a cafeteria plan;
- Employer contributions to a health- insurance or retirement fund;
- The employer's share of FICA taxes or unemployment compensation taxes, in all cases;
- The employee's share of FICA taxes or unemployment compensation taxes paid by the employer on wages for domestic service in the private home of the employer or for agricultural labor only, to the extent that the employee does not reimburse the employer.

76.3. When To Count

Wages for each month count at the earliest of the following points:

- when they are received, or
- when they are credited to the individual's account, or
- when they are set aside for the individual's use (i.e., the employer sets aside the wages for payment at a future date as requested by the employee.

76.3.1. Wage Advances And Deferred Wages

Advances are payments by an employer to an individual for work to be done in the future. Wages are considered “deferred” if they are received later than their normal payment date. Types of wage payments which may be deferred include vacation pay, dismissal and severance pay, back pay, bonuses, etc.

76.3.1.1. Wage Advances

An advance is wages in the month received.

76.3.1.1.1. Verification Of Advance

Assume that an advance on wages meets the definition of wages (as opposed to being a loan), absent evidence to the contrary. Count such advances on wages as income when received.

76.3.1.2. Deferred Wages

- Wages that are deferred **due to circumstances beyond the control of the employee** are considered earned income when actually received.
- Wages that are deferred **at the employee's request or by mutual agreement with the employer** are considered earned income when they would have been received had they not been deferred.

76.3.1.2.1. Verification of Deferment

If the individual alleges or other evidence shows that wages were deferred, request from the employer an explanation of the reason for the deferment. If the employer:

- **Provides an explanation**, document the file with the employer's explanation.
- **Is uncooperative but the individual satisfactorily explains**, document the file with the individual's signed statement.
- **Is uncooperative and the individual cannot satisfactorily explain**, document the file with a statement to that effect and assume that the wages were available to the employee when they would have been received had they not been deferred.

76.4. Verification

76.4.1. Verification Not Required

Verification of wages is not required for an individual who:

- Alleges he has not worked or received earnings (e.g., wages/sick pay) in any month from three months prior to the month of application through the current month and you have no reason to question the allegation, or
- Alleges earnings (alone, or in combination with other income) that make him clearly ineligible for AG after consideration of all applicable exclusions, or
- Is being denied AG for reasons other than earnings.

76.4.2. Verification Required

Verification of wage amounts, source, and frequency of receipt is required whenever an individual alleges (or you believe) he received wages, sick pay, or temporary disability payments unless verification is not required as noted above.

76.4.3. Verification Periods - Applications and Redeterminations

Verify income received in the three calendar months prior to the month of application/redetermination.

76.4.4. Primary Verification of Wages

The following proofs, in order of priority, are acceptable evidence of wages:

- **Pay slips** (original or issued by the employer) — must show the individual's name or SSN, gross wages, and period covered by the earnings.
 - Accept the individual's signed allegation of when earnings were received if it is not shown on the pay slip.
 - If not all pay slips are available, but the wages attributable to the missing pay slip(s) can be determined by other evidence (e.g., year-to-date totals), it is not necessary to obtain the missing pay slip(s).
 - Pay slips that do not contain all the required information may be used in conjunction with other evidence; however, any discrepancies must be resolved.
 - When original pay slips are requested but the individual provides photocopies or faxed pay slips instead, accept the photocopies as secondary evidence of wages.
- **Oral statement from employer**
 - The case documentation must reflect the date, method, and all relevant details of the contact.
- **Written statement from employer**
 - Pay slips individuals print from a company/government sponsored website may be accepted as primary evidence of wages provided they contain all required information. If the information supplied on the pay slips is questionable (e.g. appears altered or is difficult to read) obtain further evidence of wages from additional sources.

76.4.5. Secondary Evidence of Wages

Seek primary evidence before secondary evidence.

- **W-2's/Tax Forms**

Annual wage information obtained from W-2's or Federal/State tax forms is acceptable secondary evidence of wages, but may be used only after appropriate attempts to obtain primary evidence have been unsuccessful.

- If the evidence that can be obtained reflects only an **annual** or **quarterly** wage amount, ask the individual the period covered by the annual/quarterly wage amount, and divide the amount by the number of months for which work is alleged to get monthly wage amounts for those months.

- **Photocopies or Faxed Copies**

When original pay slips are requested but the individual provides photocopies or faxed pay slips instead, accept the photocopies as secondary evidence of wages.

76.4.6. Verification Is Questionable

If you have serious reason to question the credibility of pay slips or an oral or written statement from an employer, use other acceptable evidence of wages and document the file to reflect your decision.

76.4.7. Verification Of Termination Of Wages

Verify termination of wages whenever an individual alleges wages have terminated. The following proofs, in order of priority, are acceptable evidence of termination of wages:

- Written statement from employer.
- Oral statement from employer, documented on the evaluation of eligibility.

76.4.8. No Acceptable Evidence of Wages Or Termination Of Wages

If acceptable evidence (primary or secondary) is not available, the following signed allegations are used as verification of wages or termination of wages:

- **For evidence of wages**, the individual's signed allegation of amount and frequency of wages.
- **For evidence of termination of wages**, the individual's signed allegation of termination of wages (including termination date and date last paid).

76.4.8.1. Documentation

When a signed allegation is used as the sole evidence of wages or termination of wages, the case documentation must reflect what steps were taken to obtain acceptable evidence and why they were unsuccessful.

77. Worker's Compensation (WC)

Unearned Income

Worker's compensation (WC) payments are awarded to an injured employee or his /her survivor(s) under Federal and State WC laws, such as the Longshoremen and Harbor Workers' Compensation Act. The payments may be made by a Federal or State agency, an insurance company, or an employer.

77.1. Income Treatment

The WC payment less any expenses incurred in getting the payment is unearned income and is subject to the unearned and general income exclusions.

77.2. Expenses of Obtaining WC

77.2.1. Amounts Designated for Expenses by Authorizing or Paying Agency

Any portion of a WC award or payment **that the authorizing or paying agency designates** for medical expenses, legal or other expenses attributable to obtaining the WC award is not income. The expenses may be **past, current, or future**. The WC payments designated for such expenses may be received in a lump sum or as a continuing payment.

77.2.2. Other Amounts Claimed for Expenses

If an individual alleges having incurred expenses that exceed amounts designated for expenses above, or for which no amount was

designated, the normal rules pertaining to the expenses of obtaining income apply. See Chapter H – 7.

77.3. Verification

Use an award notice to verify WC payments. If such a notice is not available, obtain information from the Federal or State agency, insurance company, or employer. (The address of the local Federal Employee's Compensation agency or the State Worker's Compensation Office should be in the local phone directory.)

77.3.1. Verifying Amounts Designated as Expenses by Authorizing or Paying Agency

If the WC award notice includes monies designated for expenses listed above, but does not specify the amount designated, contact the paying agency (i.e., the Federal or State agency, insurance company, or employer) to verify the amount of the WC award that is designated for such expenses.

77.3.2. Verifying Other Amounts Claimed for Expenses

Follow the instructions in Chapter H – 7 to verify expenses that exceed the designated amounts or for which no amounts are designated.

Chapter K

Supportive Housing

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Chapter K

Supportive Housing

1.1 Introduction

Supportive Housing (SH) was added as an approved setting to the Auxiliary Grant (AG) program in 2016. SH is defined as a residential setting with access to supportive services for an AG recipient in which tenancy as described in §37.2-421.1 of the Code of Virginia is provided or facilitated by a provider licensed to provide mental health community support services, intensive community treatment, programs of assertive community treatment, supportive in-home services, or supervised living residential services that has entered into an agreement with the Department Behavioral Health and Developmental Services (DBHDS) pursuant to §37.2-421.1 of the Code of Virginia.

When used in this chapter, the definitions below shall have the following meaning, unless the context clearly indicates otherwise:

Term	Definition
Adult Foster Care (AFC)	A locally optional program that provides room and board, supervision, and special services to an adult who has a physical or mental health need. Adult foster care maybe provided for up to three adults by any one provider who is approved by the local department of social services. (22 VAC 30-80-10).
Assisted Living Level of Care	A level of service provided by an assisted living facility or a SH provider for adults who may have physical or mental impairments and require at least moderate assistance with the activities of daily living. Included in this level of service are individuals who are dependent in behavior pattern (i.e. abusive, aggressive, and disruptive) as documented on the Uniform Assessment Instrument (UAI).

Term	Definition
Assisted Living Facility (ALF)	Any congregate residential setting that provides or coordinates personal and health care services, 24-hour supervision, and assistance (scheduled or unscheduled) for the maintenance or care of four or more adults who are aged, infirm or disabled and who are cared for in a primarily residential setting, except (i) a facility or portion of a facility licensed by the State Board of Health or the Department of Behavioral Health and Developmental Services, but including any portion of such facility not so licensed; (ii) the home or residence of an individual who cares for or maintains only person related to him by blood or marriage; (iii) a facility or portion of a facility serving infirm or disabled persons between the ages of 18 and 21, or 22 if enrolled in an educational program for the handicapped pursuant to §22.1-214 of the Code of Virginia, when such facility is licensed by the department as a children’s residential facility under chapter 17 (§63.2-1700 et seq.) of Title 63.2 of the Code of Virginia, but including any portion of the facility not so licensed; and (iv) any housing project for persons 62 years of age or older or the disabled that provides no more than basic coordination of care services and is funded by the U.S. Department of Housing and Urban Development, by the U.S. Department of Agriculture, or by the Virginia Housing Development Authority. Included in this definition are any two or more places, establishments or institutions owned or operated by a single entity and providing maintenance or care to a combined total of four or more aged, infirm or disabled adults. (22 VAC 30-80-10)
Authorized Payee	The individual(s) who may be a court-appointed conservator or guardian, a person with a valid power of attorney or an authorized representative with the documented authority to accept funds on behalf of the individual. An authorized payee for the auxiliary grant shall not be the licensee, owner, employee of or an entity hired by or contracted by the ALF or AFC home.
Authorized Representative	The individual representing or standing in the place of the individual receiving the auxiliary grant for the conduct of the auxiliary grant recipient’s affairs (i.e., personal or business interests). This may include a guardian, conservator, attorney-in-fact under durable power of attorney, trustee, or other person expressly named in writing by the individual as his agent. An authorized representative shall not be the licensee, owner, employee of or an entity hired or contracted by the ALF or AFC

Term	Definition
	home unless the AG recipient designates such a person to assist with financial management of his personal needs allowance as a choice of last resort because there is no other authorized representative willing or available to serve in this capacity.
Auxiliary Grants (AG)	Cash payments made to certain aged, blind, or disabled individuals who receive benefits under Title XVI of the Social Security Act, as amended, or would be eligible to receive these benefits except for excess income (§ 63.2-100 of the Code of Virginia).
Department	The Department for Aging and Rehabilitative Services (§ 51.5-116 of the Code of Virginia).
Local Department (LDSS)	The local department of social services of any county or city in this Commonwealth (§ 63.2-100 of the Code of Virginia).
Personal Needs allowance	Means an amount of money reserved for meeting the adult's personal needs when computing the amount of the AG payment (22 VAC 30-80-10).
Provider	Means an ALF that is licensed by the Department of Social Services or an AFC provider that is approved by a local department social services or a SH provider as defined in §37.2-421.1 of the Code of Virginia.
Provider Agreement	Means a written agreement that ALFs and SH providers must complete and submit to the department when requesting approval to admit individuals receiving AG.
Qualified Assessor	Means an individual who is authorized by 22VAC30-110 to perform an assessment, reassessment, or change in level of care for an individual applying for AG or residing in an ALF or SH setting. For individuals receiving services from a community services board (CSB) or behavioral health authority (BHA), a qualified assessor is an employee or designee of the community services board or behavioral health authority (22 VAC 30-80-10).
Rate	Means the established rate (22 VAC 30-80-10).

Term	Definition
Residential living care	Means a level of service provided by an ALF or a SH provider for adults who may have physical or mental impairments and require only minimal assistance with the activities of daily living. Included in this level of service are individuals who are dependent in medication administration as documented on the Uniform Assessment Instrument (UAI).
Virginia Uniform Assessment Instrument (UAI)	The department designated assessment form. It is used to record assessment information for determining the level of service that is needed (22 VAC 30-80-10).

1.2 Funding

The AG program is funded by a combination of state and local funds. State funds comprise 80% and local funds comprise the remaining 20%. State funds are authorized by the Virginia General Assembly and the local funds are authorized by the governing body of each locality.

The AG Program provides income supplements to recipients of SSI and certain other aged, blind, or disabled individuals residing in AGSH that are approved by DBHDS and the department. LDSS should use the following cost codes when issuing AG payments to individuals living in AGSH setting:

- Aged individuals-80701
- Blind individuals-80702
- Disabled individuals-80703

1.3 Eligibility overview

LDSS eligibility workers (EW) should follow the same criteria in evaluating an individual's financial eligibility for AGSH as they would for any SSI or Non-SSI recipient.

However, there are some additional considerations regarding AGSH:

- AGSH is available to individuals who have applied for auxiliary grant and who are assessed using the UAI. AGSH individuals must meet the residential level of care

at a minimum, be interested in receiving AGSH, and be determined through an AGSH evaluation to be eligible for AGSH.

- AGSH is only available to individuals who do not require ongoing, onsite, 24-hour supervision and care or recipients who have any of the prohibited conditions or care needs described in subsection D of §63.2-1805 of the Code of Virginia.
- The number of participants in AGSH is limited to 90 slots for the entire state.

The AGSH provider must be an approved provider with DBHDS and certified by DARS. Verify on the provider AG list at <https://fusion.dss.virginia.gov/dars/DARS-Home/AUXILIARY-GRANT> (second tab)

- The initial AGSH settings are regionally designated for Northwestern, Southwestern, and Central Virginia and slots are based on availability and fair market rental rates. There are some special circumstances regarding absences from the AGSH setting that affect case closure. See Section 1.8.2 Residence Ends.
- AGSH recipients are eligible to receive Supplemental Nutrition Assistance Program (SNAP) benefits. SNAP benefits are excluded and will not be considered as countable income to the individual.
- AG cases for SH recipients shall be transferred to the locality where the individual will reside in the SH setting. These cases are not retained by the locality in which the person resided prior to entering the approved ALF setting unless the AGSH setting is also located in that jurisdiction. Exception: If a person leaves SH and returns to an ALF, the AGSH locality remains the locality of jurisdiction for AG.

Note: DBHDS will track AGSH slots in addition to LDSS using AGTrak and provide notification to DARS when applications have reached their maximum capacity.

1.4 Eligibility process

The AGSH recipient must *have applied for AG or currently is an AG recipient*. The qualified assessor will evaluate the individual's level of care and will make a referral to the AGSH provider. The AGSH provider will conduct an SH evaluation and submit an approval letter to the EW and qualified assessor. *For individuals who are applying for the AG initially and have selected to go into the SH setting, when all financial and non-financial requirements are met, send the Notice of Action for AG for SH approval. The individual will have 30 days from the date of the notice to find appropriate placement. When calculating the 30 days, allow 5 days for mailing out the Notice of Action for AG. Once housing has been located and a lease is signed, the AGSH provider will send the*

provider communication document to the EW *along with a copy of the lease agreement*. The EW will need to verify the SH address and send payment to the individual unless a designated representative payee has been assigned. Additional information should be requested to verify payee status i.e. letter from Social Security Administration or documentation from CSB or Behavioral Health Authority. *Payment will not be issued until placement is confirmed. If placement is not verifiable or has not been confirmed within the 30-day period, send Notice of Action for AG to deny the application.*

After the AGSH setting has been established, the EW will *submit the renewal application to the individual and his representative payee for their annual review. The EW should receive an eligibility communication document (ECD) for reassessment* during the annual review from the qualified assessor for AGSH and verify all financial and non-financial requirements for the AG program. (See Chapter B, Section 8 for processing renewals).

The EW will review the following upon the individual's initial entry into AGSH and at each annual review:

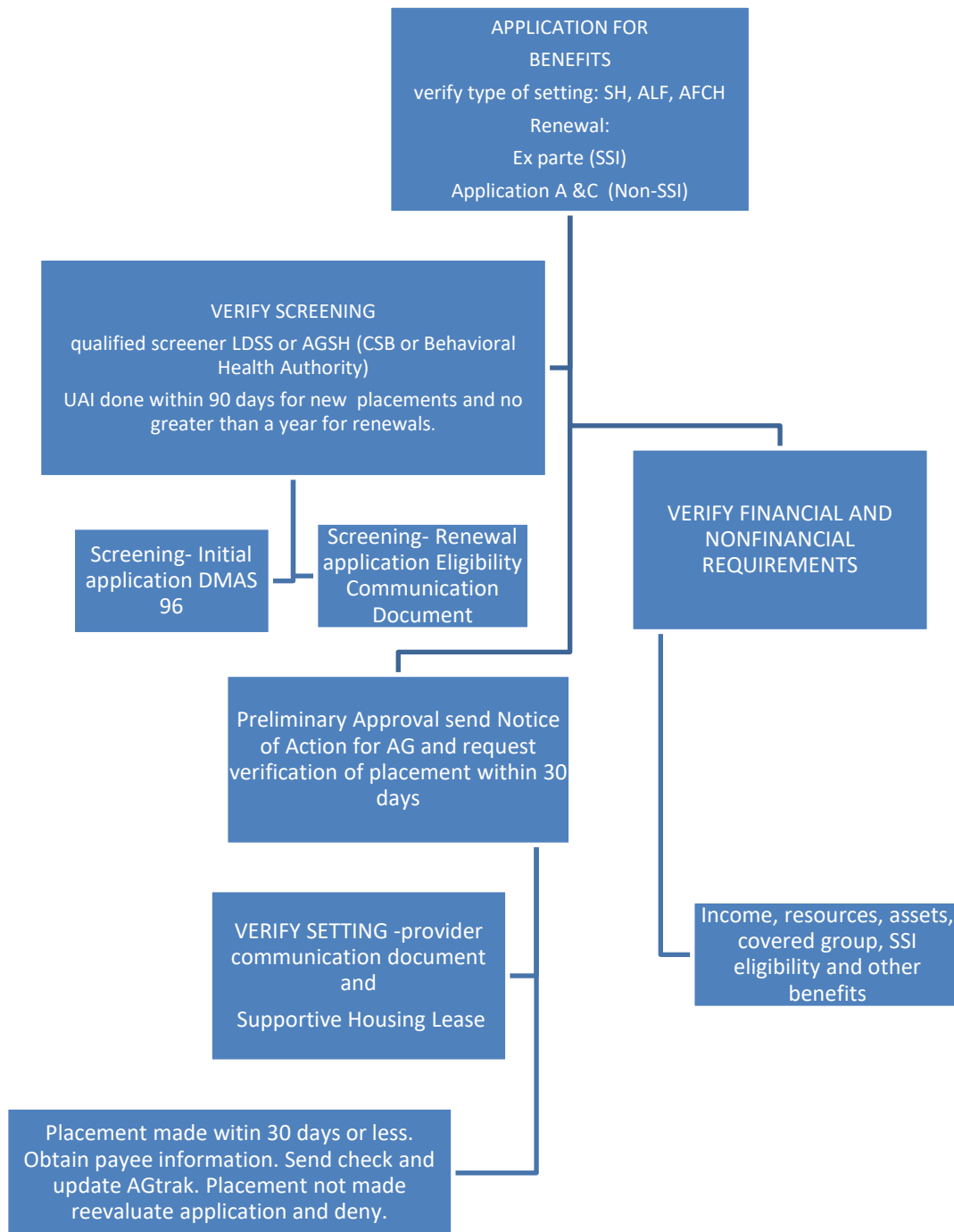
- Verify that the individual meets at least residential level of care on the ECD or Medicaid funded long-term care service authorization form (also known as the DMAS 96).
- Verify that the individual is living in or continues to reside in the AGSH setting as described on the paperwork submitted by the AGSH provider.
- Verify that the individual meets the income and resource requirements for AG.

Verify that the AGSH provider is certified to take AG clients. A provider list is available at <https://fusion.dss.virginia.gov/dars/DARS-Home/AUXILIARY-GRANT>

- EW should review the locality to which the case belongs and conduct a case transfer, if applicable.

1.4.1 AGSH enrollment workflow

The enrollment process is outlined in the following chart.



1.5 AGTrak as system of record

VaCMS will be the system of record for the Medicaid program that accompanies the AG applications. Workers will process AG applications outside VaCMS system. The system of record for the AG Program is AGTrak. EW must enter approved cases and update the AGTrak as changes in residence and eligibility occur.

1.6 Forms

Forms used for AG applications or eligibility determinations are located on FUSION <https://fusion.dss.virginia.gov/dars/DARS-Home/AUXILIARY-GRANT>

1.7 Applicable policy

This chapter addresses the eligibility requirements and determination procedures for AGSH. The procedures differ for the two groups that are potentially eligible for AG, SSI recipients and non-SSI individuals. SSI recipients are those who receive an SSI money payment. Non-SSI individuals are those who are ineligible for SSI due to excess income *or individuals with no income who meets a covered group*. The primary differences are in the income and resource eligibility requirements.

To address those differences, separate income and resource chapters were developed. The titles of the chapters are the key to which the chapters apply. If the title includes SSI Recipient in the title, it applies only to SSI recipients, i.e. Chapter D - SSI Recipients' Eligibility. If the title includes Non-SSI, it applies only to those individuals who do not receive SSI, i.e. Chapter E - Non-SSI Resource Eligibility. If the title does not include either of those phrases, it applies to both groups.

1.8 Residence in SH

The individual must be residing in a setting that has been licensed to provide AGSH services by DBHDS and certified as an AG provider by DARS. The housing provider also has to enter into agreement to provide supportive services to the individual.

1.8.1 Verification of residence in SH

The EW shall do the following:

- Verify individual is in a *SH setting via provider communication documentation and a lease agreement*
- Verify that the AGSH provider is listed on the AGSH provider list.

- Verify that the individual continues to live at the address where he or she was approved to reside *via a statement by the appropriate qualified assessor*.

1.8.2 Residence ends

An individual must maintain eligibility for both AG and for the AGSH setting. AGSH evaluations must be conducted at eligibility determination, annually, and with changes in individual circumstances that jeopardize safety and housing stability.

The individual's eligibility for SH ends when:

- The individual no longer meets AG financial eligibility, or
- The individual no longer meets AGSH non-financial eligibility, including the following:
 - The individual is absent from housing unit for 30 consecutive days or more, or
 - The individual is absent from housing unit over the 90 consecutive days due to hospitalization without a physician's statement, or
 - The individual no longer meets a minimum of residential level of care, or
 - The individual no longer meets AGSH eligibility as determined by AGSH re-evaluation, or
 - The individual refuses or is unable to participate in the annual reassessment or AGSH re-evaluation.

Individuals who no longer meet AGSH criteria will be discharged from the program. The EW will receive a *provider communication document* from the AGSH provider regarding any residence changes. If the EW receives third party information, then the EW shall obtain additional information from the AGSH provider, the CSB or BHA. In cases where the individual is seeking admission to an ALF or AFC home, the EW must suspend payment until it can be verified that the individual has entered a new setting. In these situations, follow procedures in Chapter C Section 7, Residence in an ALF or AFC home.

For AGSH recipients returning to an ALF:

- *If the UAI is less than 12 months old, the assessor may submit an ECD to the EW to indicate continued level of care.*
- *If the UAI is more than 12 months old, then a DMAS 96 will be submitted.*

1.9 SH AG rate and approved provider listing

DARS publishes the maximum rate an ALF, AFC home, SH provider can charge an AG recipient via broadcast on FUSION. Two rates are set; one for Planning District 8 (Northern Virginia *specified localities*) and another for all other areas of Virginia. Planning District 8 consists of the counties of Arlington, Fairfax, Loudoun, Prince William and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. Changes to the AG rate usually occur in January to coincide with the Social Security Administration's Cost of Living Adjustment. *However, the General Assembly occasionally may approve a rate increase that takes effect July 1.*

The most current AG rate broadcast is available under the *DARS Adult Protective Services* page on FUSION.

AG rates are to be verified by accessing the *DARS Adult Protective Services Auxiliary Grant* page on FUSION Resources & Procedures heading page on FUSION at the following address: <https://fusion.dss.virginia.gov/dars/DARS-Home/AUXILIARY-GRANT>. ALF and SH providers that are both licensed and approved to accept AG recipients are listed there. If the ALF or AGSH is not listed there, the individuals residing in the ALF or in the SH setting are not eligible for AG. If this situation occurs, contact the DARS AG Program Manager for further guidance.

1.10 Covered services

Virginia regulations identify the services that are to be provided for the established AG rate. The established rate must be accepted as full payment for these services. The AGSH payment covers the following services:

- Rental Assistance at HUD Fair Market Rent value
- SH coordinator
- Utilities
- Provision for household needs (i.e. furniture, appliances, supplies)
- Food*
- Medication management
- Supportive services (treatment and skill building)
- Personal needs (i.e. toiletries, clothing, hair care)

- Transportation

*Note: If the individual is no longer residing in a facility with a congregate meal setting, he or she may be able to apply for SNAP benefits as a community resident.

1.11 Payment issuance

AG payments are issued by check directly to the individual unless an authorized payee has been designated. If an authorized payee has been designated, the check shall be issued to the authorized payee. An authorized payee may be an individual's court appointed conservator or guardian, a person with a valid power of attorney with the authority to accept funds on behalf of the individual, or an authorized representative with documented authority from the Social Security Administration to accept funds on behalf of the individual. It is the responsibility of the individual or the authorized payee to use the money to pay AGSH service coordinator, household expenses, and personal needs.

Note: An authorized payee shall not be the property owner, or employee of CSB or BHA, other procedures for computation and issuance shall be followed according to Chapter J.