

Department of Social and Health Services
Olympia, Washington
EAZ Manual

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Category Income - Treatment
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Summary

Updated the EAZ chapter treatment to include child support pass-through payments

Treatment

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Purpose:

This section contains general rules and procedures to decide if a type of income is excluded and disregarded, unearned, or earned.

[WAC 388-450-0015](#) What types of income are not used by the department to figure out my benefits?

[WAC 388-450-0025](#) What is unearned income?

- *Clarifying Information and Worker Responsibilities*

WAC 388-450-0030 What is earned income?

- *Clarifying Information and Worker Responsibilities*
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Clarifying Information - [WAC 388-450-0025](#) & [WAC 388-450-0030](#)

See also [Treatment of Income Chart](#).

Worker Responsibilities - [WAC 388-450-0025](#) & [WAC 388-450-0030](#)

1. **Ongoing Assistance from Volunteer Agency (VOLAG)**

Only exclude one-time refugee resettlement payments from VOLAG assistance.

Some refugees receive ongoing benefits through the Matching Grant Program. Because federal law doesn't specifically exclude these ongoing payments, we must count this as assistance from another agency or organization under [WAC 388-450-0055](#).

2. **Adoption support** is money given to families that adopt children with special needs and intended to help the family with the special expenses that these children have.
 - a. **For cash**, we exclude this money because it is needs-based assistance from another agency that doesn't cover ongoing living expenses. See [WAC 388-450-0055](#) for more information.
 - b. **For Basic Food**, we must count adoption support as unearned income.

3. **Annuity**

For Basic Food and Cash: Count payments and interest received from an annuity as unearned income.

4. **Bona fide loans**

Exclude bona fide loans for all programs. If a loan isn't bona fide, count the money someone receives as unearned income for the month they receive it. Determine if a loan is bona fide by getting proof of the loan details. Follow normal income verification processes.

Examples of proof that a loan is bona fide include:

- a. When the loan is through a bank, credit union, or other institution that loans money as a part of their business:
 - i. A copy of the loan agreement; or
 - ii. A written agreement to repay the money within a certain timeframe; and
 - iii. Proof that the money came from a person or business that loans money.
- b. If the money is from a person or business who doesn't normally loan money, proof to show:

- i. That the borrower understands they must repay the loan either with or without interest;
 - ii. The borrower's intent to repay by promising real property, personal property, or anticipated income; or
 - iii. A timetable and plan for repayment with details of the plan to repay the loan when the person receives the anticipated income.
- c. If there isn't a formal written loan agreement, accept a written or verbal statement from the borrower and the lender about the terms of the loan. Request additional verification if the proof is questionable.

5. **Child Support payments:**

Budget all anticipated child support payments. Workers can use SEMS to look at both the Disbursement History (DH) and Case History (CH) screens. It will also be necessary to review the Case History (CH) screen in SEMS to determine if we can anticipate any arrears payments assigned to the custodial parent (shown in the Arrears (CP) column).

Budgeting For Basic Food: If the assistance unit receives food but not TANF, budget all anticipated child support payments.

- Code any child support arrears payments paid to the CP as "DP" as Unearned Income for the parent.
- Code any current child support payment as "DC" as Unearned Income for the child.

Budgeting For TANF:

- During application, code any current child support payments already received in that month as DC.
- When TANF is approved, don't anticipate any current child support payments (DC) in ongoing months. The household won't receive current support, unless the TANF grant goes into suspense (this happens when the TANF grant is \$0). See [Income Special Types](#).
- Code arrears payments made to the custodial parent/caregiver as unearned (DP) for TANF.
- Effective February 1, 2021, code any child support pass-through payments as "CP" on the child's unearned income screen.

NOTE:

1. It is important to determine if the arrears payments are going to the custodial parent or to DSHS arrears if the noncustodial parent makes child support arrears payments. Check this by reviewing the Case History (CH) screen in SEMS. The Arrears (CP) column and Disbursement History (DH) shows if the payment was made to the custodial parent or DSHS. In some cases, arrears child support payments made to the custodial parent will continue once the TANF grant opens and must be coded.
2. See [CHILD SUPPORT MATRIX](#) for more information.

EXAMPLE:

Margaret and her 2 children apply for TANF and Basic Food assistance. She infrequently receives \$300 a month in direct child support from the non-custodial parent. We determine that she and her family are eligible for assistance. We budget the amount of income she received in the month of application. For ongoing months, we can't anticipate child support payment.

For information on how to request additional proof and how much time someone has to give proof, see [VERIFICATION](#).

6. **Child Support Pass-Through payments: Starting February 1, 2021**, each month Division of Child Support (DCS) collects child support, they will send TANF households:

- Up to \$50 each month if the TANF AU includes one child, and
- Up to \$100 each month if the TANF AU includes two or more children.

This child support sent to the TANF household is called a pass-through payment. The amount of the pass-through payment will not be more than DCS collects during that month.

EXAMPLE:

1. Amanda and her son Tad are currently on TANF. DCS has been collecting some child support each month. DCS collects \$35 in February, \$75 in March and \$50 in April. DCS will pass through \$35 for February, \$50 for March and \$50 in April to the TANF household as \$50 is the maximum they can pass through each month.

2. Todd and his children Sally and Molly are currently on TANF. DCS has been collecting child support. DCS collects \$25 in February, \$0 in March, and \$300 in April. DCS will pass through \$25 in February, \$0 in March and \$100 in April. DCS cannot pass through more than they collect during that month.

Pass-through payments do not affect TANF/SFA grants. However, these payments must be budgeted for Basic Food. Workers can use SEMS to look at both the Disbursement History (DH) and Case History (CH) screens. If you use the "CP" valid value, this income will be budgeted correctly for Basic Food and exempt for TANF.

7. Court-ordered payments: Count payments, other than child support, made to someone by order of the court as follows

- a. If someone receives the money as a one-time payment, count this as a lump-sum payment.
- b. If they will receive more than one payment, count the payments as unearned income.

NOTE:

See [LUMP SUM PAYMENTS](#) to decide how a lump sum payment affects someone's benefits.

8. Dividends and interest

Dividends

Count dividends as unearned income for the month we anticipate people will receive them.

Interest

- a. Count interest income as unearned income unless the interest is earned on:
 - i. Individual Development Accounts under [WAC 388-470-0045](#). Exclude interest earned on IDAs; or
 - ii. Native American benefits excluded under [WAC 388-450-0040](#). Exclude interest earned on benefits excluded under [WAC 388-450-0040](#).
- b. Give people the choice of whether you:
 - i. Budget the income for the month you anticipate they will receive it; or
 - ii. Prorate the income over their certification period.
- c. If we learn about someone's unreported interest income and they were required to tell us about it, we count the interest as income for the month they got it.