

Department of Social and Health Services

Olympia, Washington

EAZ Manual

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Category	Income – Effect of income on Eligibility and Benefit Level
Issued	03/23/2020
Revision Author:	Ivette Dones-Figueroa
Division	CSD
Mail Stop	45440
Phone	360-725-4651
Email	donesim@dshs.wa.gov

Summary

Updated Clarifying Informtaion under [WAC 388-450-0190](#) to reflect changes related to coding income in lieu of rent, and other minor changes for clarity.

See below for edited text:

Income - Effect of ~~Income~~ and Deductions on Eligibility and Benefit Level

Created on: Nov 06 2019

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Purpose:

This section contains rules and procedures for determining countable income for cash, medical, and Basic Food.

[WAC 182-509-0001](#) Countable income for Washington apple health programs.

[WAC 388-450-0162](#) How does the department count my income to determine if my assistance unit is eligible and how does the department calculate the amount of my cash and Basic Food benefits?

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0165](#) Gross earned income limit for TANF / SFA.

- [Clarifying Information](#)

[WAC 388-450-0170](#) Does the department provide an earned income deduction as an incentive for persons who receive TANF/SFA to work?

- [Clarifying Information](#)

[WAC 388-450-0177](#) Does the department offer an income deduction for the ABD cash program as an incentive for clients to work?

[WAC 388-450-0185](#) What income deductions does the department allow when determining if I am eligible for food benefits and the amount of my monthly benefits?

- [Clarifying Information](#)

[WAC 388-450-0190](#) How does the department figure my shelter cost income deduction for Basic Food?

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0195](#) Does the department use my utility costs when calculating my Basic Food or WASHCAP benefits?

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0200](#) Will the medical expenses of elderly persons or individuals with disabilities in my assistance unit be used as an income deduction for Basic Food?

- [Clarifying Information and Worker Responsibilities](#)

Cost Of Living Adjustment (COLA)

- [Clarifying Information](#)

Clarifying Information - [WAC 388-450-0162](#)

- [Utility Chart](#)

1. We reduce the cash or Basic Food benefit amount by any sanction penalties or overpayment deductions before issuing a benefit.

2. For information on [calculations to determine how](#) the cash benefit amount ~~is calculated for~~ the first month of eligibility, see [WAC 388-450-0225](#).
3. For cash assistance, when an AU contains eight or more people we calculate the benefit level by subtracting the countable income from the appropriate payment standard. The grant payment ~~cannot~~[can't](#) exceed the maximum monthly payment of \$1,~~026-00~~[338](#). See [WAC 388-478-0020](#) for cash assistance payment standards.

NOTE: As of 7/1/2018 Means testing for non-needy TANF caregivers is no longer required.~~—~~
Income verification for a non-needy caregivers is no longer required unless they are applying for other benefits.

How to Calculate Basic Food benefits

Staff must understand how to calculate Basic Food benefits in order to explain how a client's income and circumstances affect their benefits. Use the following procedures to determine an AU's Basic Food benefits.

Gross income:

1. Determine total gross income for all AUs as follows:
 1. Include all dollar and cent amounts when calculating;
 2. Add all non-excluded earned income from all sources;
 3. Add all non-excluded unearned income from all sources;
 4. Add all deemed and allocated income;
 5. Subtract legally obligated child support payments made by an AU member to or for a person who ~~is not~~[isn't](#) a member of the AU.
2. Compare total gross income to the gross income standard.
3. Deny the application or terminate benefits for AUs with income above the gross income standard under [WAC 388-478-0060](#) *unless* the AU:
 - o Includes an elderly or disabled person; or
 - o Is categorically eligible (CE) under [WAC 388-414-0001](#).
4. Determine net income for AUs that meet the gross income standard and for AUs containing an elderly or disabled member.

Net income:

Start with all dollar and cent amounts for income ~~that is~~ not excluded for Basic Food and all allowable expenses.

1. Subtract the following from the AU's gross income:
 1. The appropriate standard deduction based on AU size;
 2. The earned income deduction, if appropriate, which is 20% of gross earned income;
 3. Out-of-pocket dependent care expenses;
 4. Allowable non-reimbursable medical expenses over \$35 for persons in the AU who are elderly or disabled.

2. Calculate the shelter cost income deduction:

1. Start with the AU's allowable monthly shelter costs including the utility deduction;
2. Subtract ½ of the result from step 1 ~~above~~.
 - If the AU includes a person who is elderly or has a disability, we use the result from step b above as the shelter cost income deduction.
 - If the AU **doesn't** include an elderly or disabled person, we use the lesser amount of the result from step b or the maximum shelter deduction for these households under [WAC 388-450-0190](#).
3. Take the result from step 1. Subtract the result from step 2 to calculate the AU's net income. Round this value to the nearest whole dollar (Round up from \$.50 and down from \$.49.)
4. Compare net income from step 3 to the net income standard.

Eligibility:

Deny or terminate benefits if they ~~are not~~aren't CE under [WAC 388-414-0001](#) and ~~they have~~their net income is over the net income limit under [WAC 388-478-0060](#).

Benefit level:

For eligible AUs, determine their monthly benefit level by using the allotment formula or basis of issuance tables:

Allotment formula:

- Multiply the AU's net income by 30%;
- Round this amount up to the next whole dollar; and
- Subtract the result from the Maximum Allotment for the number of eligible AU members.

Basis of Issuance:

Use the AU's net income and household size to look up their monthly benefit amount using the [Basis of Issuance Table - DSHS 12-006](#).

Worker Responsibilities - [WAC 388-450-0162](#)

In an emergency situation when ACES ~~is not~~isn't available, calculate benefits for an AU eligible for Basic Food benefits by using Steps 1 - 3 above.

ACES ~~is programmed to~~determines benefits for AUs appropriately based on the circumstances of the household including citizenship and alien status. For households with non-citizens members, ensure that you code the ~~(ALAS) screen~~[Alien Status on the Client Information Page](#) in ACES [3G](#) correctly and update an immigrant's information at recertification.

Clarifying Information - [WAC 388-450-0165](#)

To find the gross earned income limit for TANF/SFA, see [WAC 388-478-0035](#), Maximum earned income limits for TANF and SFA.

Clarifying Information - [WAC 388-450-0170](#)

1. If a client does ~~n't~~ report income timely and we later discover this income, we recalculate the client's benefits as if they had reported timely and determine if there is a benefit error. Clients still receive the 50% earned income incentive.
 2. ABD clients receive an earned income incentive and as described in [WAC 388-450-0175](#), ABD earned income incentive-.
 3. When we determine the dependent care maximum deduction, we use a child's age on the first day of the month as the child's age for that month (e.g., If a child turns two on August 15, we consider the child as under two for August and two years of age in September).
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Clarifying Information - [WAC 388-450-0185](#)

For information on the shelter deductions, see [WAC 388-450-0190](#).

For information on utility allowances, see [WAC 388-450-0195](#).

For information on medical deductions, see [WAC 388-450-0200](#).

~~The following t~~Topics related to the above WAC ~~are discussed below~~include:-

- [Standard Deductions](#)
- [Child Support Payments](#)
- [Dependent Care Deductions](#)
- [Deductions for AUs with special circumstances](#)

Standard Deduction

1. The Federal government sets the standard deduction each October by comparing 8.31% of the current net income standard for the number of AU members to ~~\$1571~~67. The standard deduction is the larger of the two figures.
2. We only count eligible AU members for the standard deduction. We don't count ineligible members such as someone disqualified as an ineligible alien, or for an intentional program violation (IPV). We also don't count non-members such as ineligible students or someone who lives in the residence but ~~is not~~isn't an AU member under [WAC 388-408-0035](#).

Child Support Payments

1. We exempt legally obligated child support payments from gross income prior to administering the gross income test.
2. We exempt the lesser of the amount paid or the amount legally obligated. We ~~do not~~don't exempt ~~an amount that is~~ voluntarily amounts paid over the legal obligation.

NOTE:

We allow an amount over the monthly support order if it ~~is~~ to repay back child support the client is legally obligated to pay.

3. We ~~do not~~don't exempt payments that ~~are not~~aren't legally obligated. Examples of payments that ~~do not~~don't qualify for this exemption are voluntary payments and contributions for a child's needs not specified in the court order.
4. Clients ~~do not~~don't have to report changes in the amount of child support they pay. We ~~do not~~don't consider failure to pay child support as a change of circumstance. We are required to act on a change if clients report an increase or decrease in child support.
5. In addition to support paid for children outside the home, we allow the exemption when clients pay support for children now in the AU when the support is:
 1. Legally obligated; and
 2. For a period of time the child was outside the support payer's home.
6. If someone outside the AU consistently pays the child support obligation, we allow the child support exemption only if the AU member must repay the amount under a bona fide loan agreement.
7. If a child support order requires the client to make an in-kind child support payment instead of, or in addition to a cash payment, we allow the amount the client pays for this expense as a child support exemption. Examples of these in-kind orders include requirements for the non-custodial parent to pay a portion of child care or medical costs.

Dependent Care Deductions

1. We allow all of the out-of-pocket costs for dependent care for the dependent care deduction. This deduction is **no longer limited** based on the age of the person receiving care.
2. Only verify dDependent care expenses ~~don't need to be verified unless they are~~when questionable.
3. Allow activity or other fees necessary to participate in the care.
4. Out-of-pocket travel expenses incurred when transporting dependents to and from a child care provider are allowable as part of the Basic Food dependent care deduction.

EXAMPLE

The day care center is located on the route the AU member drives to work. ~~When the stop at the day care center is added, the M~~mileage does ~~sn's not~~ change for a stop at the day care center. -The AU ~~is not~~isn't eligible for a dependent care transportation deduction as no additional expense occurs.

EXAMPLE

The AU member takes her child to a day care center not located on her route to work. ~~T~~When the stop at the day care center ~~is added, she drives~~adds an additional 10 miles in the morning and ~~an additional~~ 10 miles in the afternoon 5 days per week. The AU is eligible for a dependent care transportation deduction. The actual related transportation expense is the 20 miles per day associated with the travel to the day care center.

NOTE:

Accept a client's statement of dependent care transportation mileage unless it is questionable. Use MapQuest or Google Maps ~~can be used~~ if the mileage is unknown or questionable.

1. Don't include the household's normal commute when determining the mileage incurred for dependent care transportation.
2. Only allow the dependent care transportation expense for the additional mileage incurred by the household member. Use the current business State mileage rate to estimate the allowable deduction.
3. Costs for other means of transporting dependents to and from the child care facility such as public transportation, paying a friend or relative outside the AU, or paying an additional amount for the daycare provider to transport dependents, are also allowable deductions.
4. A claimed amount over the State mileage rate is questionable and requires verification.
5. When a portion of the client's dependent care expenses are paid by Working Connections Child Care (WCCC) or any other source, the client may claim the dependent care deduction for the portion not paid by someone else.
6. Some clients have both subsidized and private-pay child care expenses. Clients who meet the requirements of WAC 388-450-0185 can receive the deduction for both, ~~as long as the requirements of WAC 388-450-0185 are met.~~
7. We allow dependent care expenses for a child that ~~is not~~isn't part of the food assistance household so a responsible household member can:
 - Keep work, look for work, or accept work.
 - Attend training or education to prepare for employment.
 - Meet employment and training requirements under chapter 388-444 WAC.

EXAMPLE

Client's child visits him three days a week— Client is claiming \$200 in child care expenses for the days his child visits. Allow the \$200 out of pocket dependent childcare deduction.

Child care expenses for educational purposes:

EXAMPLE

Client receives \$1200.00 Educational Benefits through the Perkins Act for January-March. \$400.00 is ~~identified as being~~ for childcare expenses. Client pays \$195.00 monthly for the care of her five-year old daughter.

 \$195.00 Monthly cost of childcare
 -133.33

 \$400 Earmarked expense ÷ 3 months
 = \$61.67 Allowable dependent care deduction

NOTE:

There is no federal definition for "training or education to prepare for employment." This could be a short-term course or a four-year college, as long as it would be reasonable to expect it to help result in employment. ~~that it would help the client become employed.~~

1. If we disregard a client's educational benefits under [WAC 388-450-0035](#), we can only allow a deduction for the anticipated child care expense above the amount "earmarked" for dependent care expenses.
2. We prorate earmarked funds over the period that the clients ~~are~~ intended to use the educational benefits.
3. **Dependent care deduction when the person with income is an ineligible AU member:**

If the ineligible member has income and dependent care expense billed to or paid by the ineligible member(s), we determine the deduction by:

- Dividing the expenses evenly among all the AU's eligible and ineligible members; and
 - Assigning the prorated share of such expenses to the eligible members.
4. **WCCC co-payment waived by the provider:**

We allow the dependent care deduction for a client's WCCC co-pay even if the provider waives the fee on a regular basis.

NOTE:

A household can only deduct expenses if ~~the service is provided by~~ someone outside of the assistance unit (AU) provides the service and the household makes a money payment for the service. For example, a dependent care deduction is n~~'not~~ allowed if another household member provides the care, or if compensation ~~for the care is provided in the form of an~~ is an in-kind benefit, such as food.

Deductions for AUs with Special Circumstances

1. **Drug and Alcohol Treatment Facilities:** We allow the following deductions for clients who are paying a part of the cost of their own care:
 1. Standard deduction;
 2. The amount the client pays as a medical cost if treatment is prescribed by a physician; and
 3. The amount the client pays that we ~~do not~~don't use as a deduction in (ii) above as a shelter expense up to the shelter maximum.

Clients that ~~do not~~don't pay a part of the cost of their own care receive the standard deduction only.

NOTE:

The deductions described above for D&A treatment facilities applies **only** when a client has been in the facility for more than 30 days.

2. **Group living arrangements:**

For clients who live in group-homes, we follow normal eligibility procedures other than shelter costs. We determine the shelter costs for clients that pay room and board by deducting the maximum allotment for one person from the amount paid to the home.

See [WAC 388-478-0060](#) for maximum allotment.

Clarifying Information - [WAC 388-450-0190](#)

1. Allowable shelter costs:

We allow the following ongoing and current shelter costs when calculating the shelter deductions for an assistance unit (AU):

- a. We allow monthly rent cost including mandatory lease agreement fees for extra non-food expenses (e.g., cable, furniture, garage, and storage).

- We count non-food expenses only when the lease or contract requires the client to pay the fees. For example, if a client's rent includes cable and the cable expense ~~is not~~ isn't optional, then the expense is considered mandatory and is allowable;
- We ~~do not~~ don't count a mandatory fee for daily meals or toiletries as a shelter cost.
- We use the monthly rental costs ~~a client must pay if the rent is~~ paid on time. ~~as the rent cost.~~ We ~~do not~~ don't change the allowable shelter costs due to discounts for early payment or fees for late payment.
- For AUs receiving HUD, FHA, or other rental subsidies, we allow only the out-of-pocket rent expense for the AU.
- We allow money paid by one AU to another AU living in the same residence for a share of the total rent.
- We allow rent paid in advance as an expense for the month the rent is due.

EXAMPLE

Larry receives a severance package of \$1,500 from a former employer. Because Larry knows that hours where he works vary by season, he decides to pay his \$250.00 rent for September through February in July.

NOTE:

If an ineligible AU member has income, enter the shelter costs on that person's Expense page so that shelter costs will prorate correctly.

~~Shelter costs should be entered on the Shelter screen of any ineligible AU member's that has income to ensure correct proration of shelter costs.~~

EXAMPLE

~~Larry receives a severance package of \$1,500 from a former employer. Because Larry knows that hours where he works vary by season, he decides to pay his \$250.00 rent for September through February in July.~~

- For group home residents who pay a flat fee for room and board, we calculate allowable shelter costs by subtracting the one-person maximum allotment for Basic Food from the amount paid to the home.
- AU members that own or are buying a home can use the following home-ownership expenses as a shelter cost:
 - Payments on first and / or second mortgages (including home equity loans & home equity lines of credit);
 - Real estate contract payments, loan payments including interest, leading to ownership of the house or mobile home;

- Property taxes. When an AU has their property taxes deferred to a later date, we allow only the deductions for the taxes at the point the tax would be due without a deferral. We ~~do not~~don't allow taxes as a shelter cost if the taxes have been waived;
- State and local assessments;
- The entire amount of condo fees;
- Mandatory homeowner's association fees;
- Structural insurance only. We allow the total cost of structural and furnishings insurance only when the structural insurance ~~cannot~~can't be separated from coverage for furniture and belongings;
- Cost of an unoccupied home as allowed in [WAC 388-450-0190](#);
- Cost of home repairs resulting from a natural disaster such as fire or flood. We ~~do not~~don't allow costs covered by insurance or other public or private sources; and
- Costs for more than one residence in a single month when an AU moves mid-month.

2. Non-allowable shelter costs:

We ~~do not~~don't allow the following costs as a part of the shelter deduction:

- The *unpaid* value of shelter a client receives free or at a reduced cost in exchange for work, referred to as “income in lieu of rent.”

EXAMPLE:

Jacob's rent is \$700 each month. He has an agreement with his landlord that he works on the property in exchange for \$500 off his rent. He has to pay \$200 out of pocket each month. He isn't entitled to the unpaid value of the shelter cost (\$500) he receives in exchange for work.

“Income in lieu” is earned income and must be coded as “in lieu.” Budget the in-lieu income amount of \$500 and the full shelter cost of \$700.

To compute his hours, divide the \$500 by the federal minimum wage, and round to the nearest whole number ($\$500 \div \$7.25/\text{hr} = 68.9 \text{ hours} = 69 \text{ hours}$). ACES will budget the correct shelter deduction of \$200.

- In-kind or non-cash payments instead of paying rent.

EXAMPLE:

Marla's rent is \$300 per month. Each month, she provides \$100 in household supplies, so she and Jackie, her landlord, have agreed she will pay \$200 in rent.

Marla's shelter expense is \$200 on the Expense page.

- ~~The unpaid value of shelter a client receives free or at a reduced cost in exchange for work;~~
- ~~In-kind or non-cash payments instead of paying rent (e.g., client purchases \$300 worth of household supplies instead of paying \$300 to a roommate or landlord.)~~

- -Payments on a mortgage in excess of monthly minimum payment (pre-paying mortgage);
- Down payments on a mortgage;
- Balloon payments on a mortgage;
- A payment toward the purchase of a home that is made after the last contract payment for the home;
- A payment on a foreclosed home if the client is no longer legally obligated to pay the mortgage;
- A HUD add-on to contract rental charges to recover previously undercharged rent.
- Security or rental deposits;
- Rental insurance not included in the rent which does not cover the structure - even if it is mandated by the lease;
- Pre-payment of future rent ~~in the month rent is prepaid (the expense is allowed in the month the payment is due);~~
- Payments made directly to landlord or mortgage company by non-AU members;
- Mandatory fees for meals specified in lease agreements.
- Late fees;
- Payments on mortgage or rental costs for a previous time period;
- Costs for an unoccupied home unless ~~it is~~ allowed in WAC 388-450-0190.
- Shelter expenses ~~that are~~ consistently paid by someone outside the AU. If a parent, friend, or agency pays the client's shelter costs only on occasion, the AU is still eligible for the full shelter expense deduction. Don't allow HUD or FHA or other subsidies ~~are not allowed~~ as shelter costs.
- Shelter deductions **above** the maximum shelter cost for an AU without an elderly or disabled person or where the only elderly or disabled AU member is an ineligible AU member.

NOTE:

A landlord statement or receipt may not ~~reflect~~ separate out any add-on expenses to recover previously undercharged rent.

3. Shared living / Roomers:

- a. **AU owns or is buying home -**
When an AU owns or is buying a residence and shares the residence with another AU, we consider the AU that owns the home to have a roomer.
- a. Count tThe rent paid to the homeowner ~~is counted~~ as self-employment earned income. See Self Employment Income- Clarifying Information to determine income from a roomer.

- b. The roomer receives the shelter deduction for;
 - i. The rent paid to the owner; and
 - ii. A standard utility allowance (SUA).
- c. The owner receives the shelter deduction for the standard utility allowance (SUA) and either:
 - i. The portion of shelter costs not used as a self-employment expense based on number of bedrooms in the residence and the number of bedrooms rented out; or
 - ii. All expenses the landlord must pay for the housing costs.
 - i. —

EXAMPLE

Landlord rents out one of the three bedrooms. Total cost of mortgage, taxes, and insurance is \$900.00 monthly. The owner can use either of the two options below for her expenses.

Option 1

(2/3 of \$900) \$600 + (SUA) is the Shelter expense. — \$300 Self-employment expense

Option 2

\$900 + (SUA) is the Shelter expense

Renting out areas other than rooms in AU's home-

When clients rent out an area of their home other than a bedroom, we count this area as another bedroom and determine self-employment expenses as described in 'AU owns or is buying home' (above).

AU rents residence -

Consider AUs that rent a residence ~~are considered~~ to have roomers when:

- a. They rent out a portion of the residence to someone outside of the AU; and
- b. The rent they receive is more than the total rent obligation for the AU as shown on the rental agreement or lease.
 - i. Count ~~the~~ the rent paid to the AU ~~is counted~~ as self-employment earned income. See Calculating Net Self-Employment Income in Special Situations to determine income from a roomer.
 - ii. The roomer receives the shelter deduction for:
 - 1. The rent paid to the AU; and
 - 2. A standard utility allowance (SUA).

- iii. The AU receives the shelter deduction for the standard utility allowance (SUA) and either:
 - A. The portion of shelter costs not used as a self-employment expense based on number of rooms in the residence and the number of rooms rented out; or
 - B. All costs the AU must pay for the housing. See Clarifying Information of [WAC 388-450-0195](#) for information on utilities.
- iv. Clients that share a residence ~~are not~~aren't considered to have roomers if they:
 - 1. ~~Do not~~Don't own the residence;
 - 2. ~~Are not~~Aren't buying the residence; and
 - 3. ~~Do not~~Don't charge their roommates an amount above the total rent as shown on the lease.

Worker Responsibilities - [WAC 388-450-0190](#)

Determining Homeless Shelter Deduction

1. Review the application for claimed living arrangement.
2. Review the application for shelter expenses.
3. Enter the shelter expenses.
 - o If the shelter expenses results in the homeless shelter deduction being equal to or less than \$152, the client will receive a homeless shelter deduction in the amount of \$152.
 - o If the shelter expenses results in the homeless shelter deduction being more than \$152, the client will receive the higher amount in homeless shelter deduction.

EXAMPLE: Jody is currently homeless and is staying with various friends. During the month Jody pays a total of \$50 to her friends. The shelter expenses entered is \$50. Jody will receive the \$152 homeless shelter deduction.

EXAMPLE: Jameel is currently homeless with shelter and his monthly shelter expense is \$750. The worker enters \$750 on the shelter expense screen in 3G. Jameel's homeless shelter deduction will be more than the \$152.

Clarifying Information - [WAC 388-450-0195](#)

1. The Standard Utility Allowance (SUA)

1. How can an AU qualify for SUA?

An AU qualifies for SUA if the AU:

NOTE:

The utility standards come from an average annual expense. Clients that heat with oil and fill the tank once a year are eligible for SUA for the entire year, even though they actually pay the bill in one month.

WASHCAP households receive SUA as a part of the WASHCAP demonstration project waiver. If a person loses eligibility for WASHCAP, we must review the household's eligibility for SUA, LUA, TUA, or ZUA (zero utility allowance) based on their current circumstances.

A vendor payment to *partially or occasionally* cover heating or cooling costs the client is responsible to pay does not affect the client's eligibility for SUA. Examples include when ~~the expense is paid through~~ a friend, relative, AREN, or another agency pays the expense.

1. Is responsible to pay out-of-pocket heating or cooling costs separate from rent or mortgage costs;
2. Receives a LIHEAA (Low Income Home Energy Assistance Act) payment of **more than \$20 annually** for the AU's current residence from a state or local agency or from an Indian Tribal Organization; or
3. Lives in public housing, uses a shared utility meter, and ~~is billed~~pays only for excess utility expenses.

To determine that a household is eligible for the SUA based on getting a LIHEAA benefit of more than \$20, we must be able to reasonably expect that the household will receive the benefit.

- If the household has received this benefit previously, and they have not moved or had another significant change in circumstances, we can expect that their LIHEAA eligibility has not changed.
- If someone received SUA as a part of their WASHCAP benefits and they lose eligibility for WASHCAP, we must redetermine their eligibility for SUA, LUA, TUA, or ZUA based on their **current** circumstances.

2. What counts as a heating cost?

Clients have a heating cost when they are responsible for out-of-pocket fuel costs to operate a device used as the primary heat source for the living quarters.

EXAMPLE

A client who buys a cord of firewood or buys pellets for the client's pellet stove would qualify for SUA. A client who buys a chainsaw, gasoline, and a permit to cut firewood does **not** qualify for SUA if the client has no costs for wood fuel.

EXAMPLE

Client has an apartment with steam heat. ~~An electric fan brings Heat is brought heat~~ into the apartment ~~for which the by an electric fan that the~~ client pays ~~for by~~ separately ~~ly-metering~~. The heat is included in the cost of renting the apartment. This client ~~is not~~ isn't eligible for SUA.

EXAMPLE

Client has a wood stove and wood provided by the landlord, but the client's doctor has advised him that the wood stove is aggravating his asthma. The client uses an electric space heater instead, and pays for the electricity for the residence. In this case, we would allow the SUA.

NOTE:

When we allow the SUA for a client that uses a source different than what is standard for the home, we must document that the source is the client's primary heating source. If a heating cost is included in the rent, we must document why this source of heat ~~is not~~ isn't available.

- If wood is the primary heat source for the residence, the client must have out-of-pocket costs for the wood fuel. Costs to operate a cooking stove, oven, or indirect costs for gathering wood ~~do not~~ don't qualify the AU for SUA.
- If a client is responsible to pay the cost of using a device that delivers heat, but no costs to create the heat, the client does not qualify the AU for SUA.
- Costs to operate any device that is used as the client's primary heat source qualifies the AU for SUA when:
 - The landlord does not include heating costs in the rent; or
 - The landlord includes heating costs in the rent, but the heating is unavailable. We consider it to be unavailable if:
 - The source of heat ~~is not~~ isn't working; or
 - The client can't use the source of heat for health reasons.

3. What counts as a cooling cost?

Clients have a cooling cost when they are responsible to pay costs to operate an air conditioning system, room air conditioner, or swamp cooler. (Electric fans ~~do not~~ don't count as air conditioners.)

4. **How do you tell if the cost is separate from rent?**

We consider heating or cooling costs as separate from rent when the AU must pay for utilities ~~which are billed~~ separately from the rent or itemized individually.

5. **How do you tell if a client qualifies for~~should be given~~ a utility allowance or if utilities are included in the rent?**

- If all utilities are clearly included in the rent, clients receive the shelter deduction for the rent amount and no utility allowance.
- If it ~~is not~~isn't clear whether all utilities are included with rent, we must determine if the client:
 - Pays separately for any utilities;
 - Has a specific portion of the rent consistently designated to cover utilities;
 - Pays for excess utility usage; or
 - Pays rent only.

6. **What happens when households in separate residences share a common utility meter?**

When households in two residences share a utility meter for heating or cooling, each AU can receive a SUA. If the shared utility meters ~~are not~~aren't for heating or cooling services, each AU can receive a LUA if they pay for another countable utility.

EXAMPLE

In a shared residence, one AU pays for all utilities, except phone service. This includes heating. They ~~do not~~don't pay for phone service. The other AU receives the phone bill and pays for phone service. **Each AU is eligible for a SUA.**

EXAMPLE

Landlord provides heat, but the client uses an additional heat source because the landlord's system doesn't heat well enough. In this case, we don't allow the SUA.

EXAMPLE

Client lives in a trailer and gets electricity (heat source) from an extension cord to a friend's house. The friend gets the bill and charges the client for her share of the bill each month. The client and the friend each qualify for a SUA.

2. *The Limited Utility Allowance (LUA):*

NOTE:

The utility standards come from an average annual expense. Clients that have their septic tank or well system serviced once a year can have this expense count as one of their two qualifying expenses for the LUA.

1. What is required for an AU to be eligible for LUA?

To qualify for the LUA, an AU must be responsible to pay any two allowable out-of-pocket utility costs:

0. Separate from rent or mortgage costs;
1. That ~~do not~~don't qualify the AU for the SUA; and
2. May include telephone as one of the costs.

2. What costs qualify a client for the LUA?

Any two of the following expenses will qualify an AU for the LUA:

0. Electricity or gas not used to heat or cool the residence;
1. Cooking fuel;
2. Water;
3. Telephone service;
4. Garbage/trash collection; or
5. Sewer, well or septic tank costs.

3. The Telephone Utility Allowance (TUA):

EXAMPLE

Client has a cell phone. The bill for several cell phones are in the client's mother's name. The client's mother verifies that the client is responsible for paying the portion of the bill associated with their phone. The client qualifies for the TUA.

1. How do clients qualify for the TUA?

Clients qualify for the TUA when they:

- ~~Do not~~Don't qualify for the SUA or LUA; and
- Incur or expect to incur costs for telephone service.

2. Does voicemail, or a pager qualify a household for the TUA?

Costs for alternative phone services such as beepers, voice mail, pagers and cellular phones qualify a household for the TUA if they don't receive a higher allowance for the SUA or LUA.

3. Does an AU qualify for the TUA if the AU must pay the phone bill, but they ~~are not~~aren't listed on the bill?

Clients qualify for the TUA if they can verify that they are responsible for the telephone service. This is true even if they ~~aren't~~are named on the bill.

4. Can two AUs in one residence each have a phone service and each qualify for a TUA? Yes.

4. How ineligible AU members affect the SUA:

Our utility allowances (SUA, LUA, or TUA) apply for all Basic Food households, even if there is more than one assistance unit in a single residence.

Even ~~if though we prorate the~~ expenses of an ineligible member ~~may be prorated~~ as a part of the AU's expenses as described under [WAC 388-450-0140](#), we ~~don't~~ ~~o not~~ prorate the SUA, LUA, or TUA.

Worker Responsibilities - [WAC 388-450-0195](#)

1. **Determine the appropriate utility allowance:**

1. Decide if the AU is eligible for:
 1. The standard utility allowance (SUA);
 2. The limited utility allowance (LUA)
 3. The telephone utility allowance (TUA).
2. Deny utility allowance to AUs:
 1. When all utility costs are included as part of their rent;
 2. Who have only **one** utility expense that ~~isn't~~ ~~is not~~ for heating, cooling, or phone.

2. **Redetermine if an AU qualifies for the SUA, LUA or TUA:**

1. At recertification, including when a household who received WASHCAP benefits is now applying for Basic Food;
2. When an AU changes residences; and
3. When the client reports the beginning or end of heating and/ or cooling costs. For example: The client has been using free wood for heating and now reports that they are now using heating oil.

NOTE:

To determine that a household is eligible for the SUA based on getting a LIHEAA benefit of more than \$20, we must be able to reasonably expect that the household will receive the benefit. - If the household has received this benefit previously, and they have not moved or had another significant change in circumstances, we can expect that their LIHEAA eligibility has not changed. - If someone received SUA as a part of their WASHCAP benefits and they lose eligibility for WASHCAP, we must redetermine their eligibility for SUA, LUA, TUA, or ZUA based on their **current** circumstances.

Go to [Utility Chart](#)

Clarifying Information - [WAC 388-450-0200](#)

1. To be eligible for the medical deduction, people must report all incurred and anticipated medical expenses at application and recertification.
2. We must verify all claimed medical expenses.
3. We ~~do not~~don't have to re-verify ongoing medical expenses during the certification period if they ~~are not~~aren't likely to change.
4. People ~~do not~~don't have to report any changes in medical expenses during the certification period.
5. At recertification, verify unchanged expenses that are incomplete, inconsistent, or outdated. Otherwise, we ~~do not~~don't have to re-verify medical expenses that:
 1. ~~Do not~~Don't change by \$25 or more, and
 2. Are from the same provider as previously reported
6. Anticipated expenses:

Persons eligible for a medical deduction may estimate medical expenses they expect to incur during the certification period.

1. ~~Base the~~The estimate ~~must be based~~ upon current, verified medical expenses that the AU member incurred, as well as other available information about the member's medical condition and insurance coverage.
 2. ~~Do not~~Don't pend an application or certification for verification of medical expenses. We ~~will~~ allow the expense when the member provides verification ~~is provided~~ during the certification period.
 3. We treat the changes in recurring medical expenses that an AU voluntarily reports as a CHANGE OF CIRCUMSTANCES.
7. Incurred expenses:

We allow out-of-pocket medical expenses that the eligible AU member incurs when the person:

1. Has an unpaid bill that has not been allowed previously,
 2. Has a paid bill incurred during the certification period not reported previously; or
 3. Arranges a payment plan for an expense and verifies when the installments are due.
8. One-time medical expense deduction:

Customers who report a one-time, non-recurring medical expense can elect to have the entire expense budgeted in a single month for a one-time deduction. This would be a likely choice for bills that when averaged using one of the options in WAC 388-450-0200(3)(a) would not result in an increase in benefits.

EXAMPLE

Joan reports on May 20th that she paid for a doctor visit on May 15th in the amount of \$200. She has 10 months remaining in her certification period. Averaging the expense would only allow a \$20 monthly expense and would not impact her ongoing Basic Food benefits since she has no other expenses. Joan could choose to budget the \$200 in one month and either have her May benefits supplemented or have her June benefits increased.

9. Medical expenses of other AU members:

This deduction is only for ~~out-of-~~out-of-pocket costs for medical needs of individuals that are elderly or have a disability. We don't allow a deduction for medical expenses of an AU member who ~~is not~~isn't an elderly person or does not have a disability under WAC [388-400-0040](#) even if the individual in the AU who does meet these criteria pays the medical expense.

10. Medical equipment: We can allow the cost of equipment as a medical deduction if ~~it is needed~~necessary due to the person's medical condition. Examples of allowable medical equipment are:

NOTE:

If a person has home modifications related to their medical condition completed along with other home improvements, we only allow the cost of improvements related to the medical condition if ~~they can be separately~~identified [separately](#) in the billing.

If [a second mortgage pays for](#) the improvements ~~were paid for by a second mortgage~~, we allow the entire amount as a shelter expense instead of a medical expense.

1. Specialized telephone devices or TTY for hearing impaired people; and
2. Items needed for people with limited mobility such as:
 1. Wheelchairs;
 2. Walkers; and
 3. Modifications to the person's home such as:
 1. Grab bars;
 2. Wheelchair ramps; and
 3. Lowered countertops

11. Health insurance premiums:

1. We don't allow the cost of third party health and accident insurance when the insurance benefit:
 1. Is payable in a lump sum payment upon death or dismemberment;
 2. Covers mortgage or loan payments upon death or disability; or

3. ~~Qualifies for reimbursement. Will be reimbursed.~~
2. We allow the cost of Medicare premiums as a deduction:
 1. When the person is responsible to pay the premium;
 2. incurs an out of pocket expense for the premium; and
 3. The premium isn't reimbursable.

EXAMPLE: Daryl applies for Basic Food and Medicare Savings Program on April 25. Worker approves Basic Food for April. Medicare Savings Program is approved starting May 1. Daryl is eligible to use his Part B premium amount as a Basic Food deduction for April only.

1. Reasonable medical transportation costs:

We must determine transportation costs on a case-by-case basis. It is essential that the case documentation clearly show ~~reason for approval or denial~~~~why an expense was allowed or denied~~. If the cost is reasonable according to the situation, we can allow the costs. Examples of allowable expenses are:

1. Bus fare to get to medical appointments;
2. Mileage for a privately owned vehicle. ~~Information on the current rate may be found in section 10.90.20 of The Office of Financial Management's State Administrative and Accounting Manual~~~~provides information on the current rate.~~
<http://www.ofm.wa.gov/policy/10.90a.pdf>.
3. A rental car or taxi in an area or circumstance where bus service or a private vehicle ~~is not~~~~isn't~~ available; and
4. Long-distance phone calls to the person's medical practitioner instead of travel.

2. Postage or shipping cost for mail-order prescriptions:

Some people who use mail-order pharmacies must pay a shipping or postage fee in addition to the cost of their medicines. We allow the out-of-pocket costs of medications for certain AU members as an expense for the excess medical expense deduction. This includes postage or shipping fees if they ~~are not~~~~aren't~~ included in the cost of the medications.

3. Spenddown:

We don't ~~not~~ allow the total spenddown obligation as a medical expense. We allow the out-of-pocket expenses ~~as they are a client incurr~~~~incurred~~ or anticipated.

4. Service Animals:

We allow the costs to get and care for seeing, hearing, and specially trained service animals. Service animals must be specially trained to perform ~~a function~~~~that~~ the client can't ~~not~~ perform on their own. A pet ~~that~~ the client had before having a service animal prescribed does not automatically become a service animal. However, we can't ~~not~~ require a specific type of training, credentials, or certification.

We don't consider ~~Comfort or emotional support animals as re-not considered~~ service animals.

A licensed or qualified medical practitioner has to prescribe the service animal for us to accept associated medical expenses.

EXAMPLE: Claire has a prescription for a~~Claire was prescribed a~~ service animal -due to her severe seizures. Claire's dog i~~was~~ specially trained to warn her of impending seizures. She does not have any certification of this training. She has verification of the prescribed service animal and we have proof of past medical expenses related to her condition. The worker allows the expenses of dog food, veterinary bills, and other related expenses as an excess medical expense deduction.

1. Attendant care:

We allow attendant care that is necessary due to age, infirmity, or illness. Allowable attendant care includes, but ~~is not~~isn't limited to:

NOTE:

~~We allow an additional deduction equal to a one-person allotment if the AU provides the majority of the attendant's meals. We update the deduction at the next recertification if allotments are increased during the certification period. * * * * * If attendant care can be is claimed as either a dependent care or medical expense, we allow the deduction as a medical expense.~~

1. Homemaker;
- ~~2.~~ Home Health Aide; or
2. Housekeeper

NOTE:

We allow an additional deduction equal to a one-person allotment if the AU provides the majority of the attendant's meals. We update the deduction at the next recertification if allotments increase during the certification period. * * * * * If attendant care is claimed as either a dependent care or medical expense, we allow the deduction as a medical expense.

3.

2. Expenses from non-standard providers:

We allow medical expenses prescribed by a state-licensed practitioner or other state-certified health professional. If the person's health professional prescribes the treatment, we allow the medical deduction. Expenses we allow when prescribed by a licensed or certified health professional include treatment by:

- Acupuncturists;
- Sanipractors;
- Homeopathists;
- Herbalists;
- Massage Therapists; and
- Christian Science practitioners or theological healers

3. *Installment agreements:*

We allow ~~We can allow~~ expenses ~~when they are~~ anticipated to become due in an installment agreement. If the person misses some payments, we don't ~~not~~ allow the expense again when it is actually paid, as it has already been allowed based on when it was originally due.

4. *Expenses from medical marijuana:*

The costs of medical marijuana and transportation expenses as described in # 10 above to and from the medical marijuana dispensary ~~are not~~ aren't allowable as a medical expense income deduction for Basic Food.

NOTE:

There is no need to ask applicants or recipients why the individual went to see a doctor or other medical practitioner to find out if the doctor prescribed marijuana. Allow reasonable transportation costs for visits to licensed medical practitioners without regard to the reason for the visit.

Worker Responsibilities - [WAC 388-450-0200](#)

Determining Allowable Medical Expenses

1. Review the application for claimed medical expenses.
2. Ask all AUs with an elderly person or an individual with a disability if those members have any medical/dental bills or expect to have these expenses.
3. Verify the portion of the expense that will not be reimbursed or paid by another source by obtaining:
 - A billing from the provider showing the amount due after insurance coverage; or
 - Proof of the amount of covered and uncovered expenses from all insurance carriers including Medicare.
4. Certify the AU's benefits without the claimed deduction if the expense is n't ~~not~~ verified.
5. Allow the Medicare premium deduction for the month(s) without an approved MSP AU only.
6. Enter end of the application months as an end date for the deduction.

EXAMPLE: Stanley applies for MSP on 10/5. Worker processes and approves application on 10/20 and [finds](#) Stanley ~~is found~~ eligible for QMB (S03) coverage starting 11/1. Worker sets the end date of the medical expense deduction to 10/31.

EXAMPLE: Stanley applies for MSP on 10/5. Worker processes and approves application on 10/20 and Stanley is found eligible for SLMP (S05) starting 10/1. Therefore, Stanley isn't eligible for a medical expense deduction in the month of October.

NOTE: Don't ~~not~~ allow the deduction for the Medicare premium if the client's previous MSP AU was closed for less than one benefit month.

NOTE: In some circumstances a client is eligible for Medicaid and Health Care Authority (HCA) is paying the premium under the State buy-in program. Don't allow the Medicare Part B premium deduction if HCA is paying it. Verify whether HCA is paying the premium by reviewing the Bendex cross match on the Income screens. Bendex will show "State billed for SMI Premium Payments (500)" if HCA is paying the Medicare Part B premium.

Clarifying Information - Cost Of Living Adjustment

COLA increases are ~~n't~~ counted as income until April 1 of each year for the QMB, SLMB, ESLMB, QDWI, and QI programs.

The medical programs described in subsection (3) of the above WAC use the TANF / SFA income rules to determine countable income. After determining countable income, treatment of income for medical programs may be different. For example, see the [Assistance Units](#) for more information on family financial responsibility and when [to establish](#) separate medical assistance units ~~must be established~~.

~~For children's and pregnant women's programs with monthly income standards based on the FPL, the earned income deduction is limited to \$90 for each working adult. When the family income exceeds the CNIL, the case trickles to F99 / P99. The medically needy monthly income standards ~~aren't~~ not based on the FPL. The earned income deduction changes to the 50% deduction.~~

The income exclusion described in subsection (4)(i) ~~is designed to assist~~ families to meet the "three out of last six months" federal requirement. ~~See the Medical Extensions for further information.~~