# METHODS FOR CALCULATING INCOME/FAMILY SIZE DETERMINATION

## TABLE OF CONTENTS



## A. Seventy Percent Low-Income Guidelines

The Lower Living Standard Income Level (LLSIL) and poverty guidelines are used to establish low-income status for Workforce Innovation and Opportunity Act (WIOA) Title I programs. Local Workforce Development Areas (Local Areas) use the LLSIL to determine eligibility of youth, eligibility of employed adults for certain services, and self-sufficiency. Income determination is calculated by using income received during the six-month period immediately prior to the individual's application for WIOA funded services.

| **Local Area** | **San Diego Consortium** | | | | | | |
|---|---|---|---|---|---|---|---|
| **70% LLSIL** | | | | | | | |
| Family Size | 1 | 2 | 3 | 4 | 5 | 6 | Each Add'l Add |
| Annual | $14,741 | $24,148 | $33,155 | $40,925 | $48,297 | $56,485 | $8,188 |
| **6 months** | **$7,371** | **$12,074** | **$16,578** | **$20,463** | **$24,149** | **$28,243** | **$4,094** |

70 Percent Lower Living Standard Income Level (LLSIL) for 2023 published by the U.S. Department of Labor (DOL) in the Federal Register on May 8, 2023. Released by EDD Directive WSD23-02 on August 22, 2023.

## B. Low-Income Calculation Guidelines

The individual receives an income or is a member of a family that received a total family income, for the six-month period prior to WIOA registration that (in relation to family size) does not exceed the above referenced 70% LLSIL Guidelines.

- To determine total family income, intake staff must calculate income received by all members of the individual's family for the previous six months prior to WIOA participation.

- To determine total income for an individual with a disability, an intake staff must calculate income received by the individual (only) for the previous six months prior to WIOA participation, regardless of the income level of his/her family. **(Only for ISY)**

## C. Computing and Documenting Family Income

Documentation should be provided for each applicable included and excluded income source received by the applicant, and each family member, for the six-month income period immediately preceding the application and eligibility determination date. **AN APPLICANT OR FAMILY MEMBER WHO CLAIMS LITTLE OR NO INCOME MUST SUBMIT AN ATTACHMENT-APPLICANT STATEMENT THAT LITTLE OR NO INCOME WAS RECEIVED DURING THE PAST SIX MONTHS, AND/OR THAT HE OR SHE WAS UNEMPLOYED FOR THAT PERIOD.** In this situation, he/she should be included as a family member and $0 income must be listed.

The following items should be documented, verified, computed, where necessary and attached to the **ATTACHMENT-YOUTH ELIGIBILITY CERTIFICATION & REVIEW FORM (ECRF)**, for internal review and monitoring purposes:

### 1. Eligibility determination period

Enter dates of the six-month period.

### 2. Family Members

List all family members (as defined by WIOA) and the income they have received within the last six months prior to application. In addition to documentation of family size, additional documentation may be required to establish that the family is living in a single residence. The **ATTACHMENT-APPLICANT STATEMENT** can be used as documentation in these situations, if the documents listed in the **ATTACHMENT-TABLE OF DOCUMENTATION TO ESTABLISH WIOA PROGRAM ELIGIBILITY** are not available and the required case notes are used.

- *Dates* - List the dates of receipt of the income. The whole determination period should be covered. During periods when no income was received, means of support must be explained and verified (e.g. applicant has been supported by parent(s) or friend(s) or living on savings from previous earnings, etc.);
- *Source of Income* - Indicate how the income was earned, and/or the source that generated the income.
- *Amount* - Indicate the dollar amount received during the six-month period. This may require adding up several pay stubs submitted for that period to arrive at the six-month amount;
- *Documents Inspected* - Indicate the document(s) submitted to verify the source of income. The document(s) must be photocopied and a copy retained in the individual's file. There are 4 sample methods provided for calculating annualized income listed below; and
- *Show and attach the income calculations used to determine the six (6) month family income*.

## D. Included and Excluded Income

### 1. Included Income

- Unemployment Insurance
- Child Support Payments
- Monetary compensation for services, including wages, tips, salary, commissions, or fees before any deductions, and including overtime pay, bonuses, etc.
- Net receipts from non-farm self-employment (receipts from a person's own un-incorporated business, professional enterprise, or partnership, after deductions for business expense)
- Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses)
- Regular payments from railroad retirement, strike benefits from union funds, worker's compensation, and training stipends (e.g., California Conservation Corp)
- Alimony, active military family allotments directly received, or other regular support from an absent family member or someone not living in the household, but included in the family size
- Private pensions, government employee pensions (including military retirement pay)
- Regular insurance or annuity payments (including state disability insurance)

- College or university scholarships grants, fellowships, and assistantships (not needs-based)
- Net gambling or lottery winnings
- Severance payments
- Terminal leave pay
- Social Security Disability insurance payments
- WIOA Title I – OJT Wages
- Wages from the California Conservation Corps [Adopted from Section 101(25)(B); Training and Employment Information Notice 29-91]
- Generally, if an income source is not listed in the “Excluded Income” categories below, then it must be considered as “Included Income” for the purposes of WIOA

### 2. Excluded Income

- Foster care payments
- Need-based Public Assistance payments (including TANF, Supplemental Security Income Emergency Assistance, and non-federally-funded general assistance or general relief money payments)
- Social Security Old Age and Survivors' Insurance benefit payments
- Financial assistance under Title IV of the Higher Education Act, i.e., Pell Grants, federal Supplemental Educational Opportunity Grants and Federal Work Study (needs-based)
- Needs-based scholarship assistance
- Loans
- Veterans Benefits
- Income earned while the veteran was on active military duty and certain other Veterans benefits, i.e., compensation for service-connected disability, compensation for service-connected death, vocational rehabilitation, and education assistance
- Capital gains
- Any assets drawn down as withdrawals from a bank, the sale of property, a house or a car
- Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or insurance compensation for injury
- Non-cash benefits such as employer paid or union-paid portion of health insurance or other fringe benefits, food or housing received in lieu of wages
- The value of food and fuel produced and consumed on farms
- The imputed value of rent from owner occupied non-farm or farm housing
- Medicare, Medicaid, food stamps, school meals, and housing assistance
- Allowances, earnings and payments to individuals participating in programs under this Act (except OJT wages)

## E. Methods of Calculating Income

When calculating income, the Youth Service Provider is encouraged to use any one of the following methods as appropriate. The examples are illustrative only and the Youth Service Provider should obtain as many multiple pay stubs as needed and available to accurately calculate family income.

## 1. Straight Pay or Salary Method

Under the Straight Pay Method, the participant supplies a sample of pay stubs covering the most recent three to four months (out of the six months) of family income. Upon reviewing the pay stubs, the intake worker determines that the wages on the pay stubs are the same, with no variations.

The intake worker will calculate the income based upon the wages indicated on one of the pay stubs, since there are no variations in the gross income on any of the pay stubs. Based upon the length of the pay period represented by the pay stubs, (weekly, bi-weekly or monthly) the gross income is multiplied by the number of pay periods in a year. That is 52 x gross wages, 26 x gross wages, or 12 x gross wages, respectively. The result will be the annual income. Divide the annual income by 2 to determine the six-month income used to determine WIOA low-income eligibility.

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*Example: Five (5) pay stubs are provided indicating gross wages of $548.00 each. The pay stubs are sporadic and cover a period of (3) months. The pay frequency is bi-weekly (13 pay periods in 6 months). An intake worker would multiply the gross wages indicated on the pay stubs by the frequency occurrence.*

*Multiply:13 x $548 = $7,124. This is the six-month income used to determine WIOA low-income eligibility.*

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## 2. Average Pay Method

Under the Average Pay Method, a sample of six pay stubs are submitted which show variations in the gross earnings. The variations may result from overtime, lost time, or working for different employers.

In calculating the six-month income, the intake worker must determine the average gross earnings based upon the number of pay stubs provided. To determine the average gross earnings, the intake worker must total the gross earnings of all the pay stubs provided and divide the result by the number of pay stubs. The result will be the average gross earnings per pay period. After determining average gross earnings per pay period, the intake worker will then determine the pay frequency and multiply the gross average earnings by the number of pay periods in the six-months.

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*Example: Participant provides intake worker with six (6) pay stubs with gross earnings of $534, $475, $398, $534, $498.00, and $534. The pay frequency is weekly. The intake worker should do the following: Add: $534 + $475 + $398 + $534 + $498 + $534 = $2973.00.*

*Divide: $2973/6 (6 is the number of pay stubs provided) = $495.50 – This is the average gross earnings per weekly pay period.*

*Multiply: $495.50 x 26 (there are 26 weekly pay days in a six-month period) = $12,883. This is the six-month income amount used to determine WIOA low-income eligibility.*

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### 3. Year-To-Date Method

Under the Year-To-Date Method of calculating six-month gross income, the participant provides recent pay stubs with cumulative year-to-date gross earnings indicated on the pay stub. The cumulative year-to-date gross earnings indicate the gross earnings up to the date of the pay period ending date, on the pay stub. To compute the six-month income, the intake worker counts the number of pay periods that have occurred in the year-to-date period, and divides that number into the gross year-to-date earnings indicated on the pay stub to get the amount of each paycheck. The result of this computation (average gross income per pay period) is then multiplied by the number of pay periods in a six-month period to determine the six-month gross earnings.

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*Example: Participant provides the intake worker with a recent pay stub showing his year-to-date earnings were $25,200 for the 14 pay-periods so far that year. The date of the pay stub provided was July 3 for $1800. His gross earnings each pay period is the same. The pay frequency is bi-weekly, every other Friday. There are 13 pay periods for the six (6)-month period counting back from July 3. Calculation of the gross annualized income would be done as follows:*

*Multiply: $1800 by 13 (No. of pay periods in 6 months) = $23,400.*

*$23,400 is the 6-month income figure for this individual or family member.*

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### 4. Intermittent Work Method

When an applicant has not had steady work with one or more employers, she/he should supply as many pay stubs as possible and complete an Applicant Statement explaining all missing pay stubs and non- work periods during the last six months. In such cases, the intake worker totals all wages for the six- month period.

If the applicant reports little or no includable income, she/he should indicate the resources relied upon for life support during the last six months, on an Applicant Statement. Such resources may include such things as unpaid debts, gifts, loans, unemployment compensation, etc.

## F. Related Definitions

### 1. Emancipated Minor

The *California Family Code*, Section 7002, defines emancipated minor as any person under the age of 18 years who meets one of the following conditions:

- Has entered into a valid marriage, whether or not such marriage was terminated by dissolution;
- Is on active duty with any of the armed forces of the United States of America; or
- Has received a declaration of emancipation pursuant to California Family Code 7122.

### 2. Dependent Children

Individuals who are claimed as a dependent on their parent’s income tax and are either:

- Under 18, not an emancipated minor, and living in a single residence with their parent(s) or guardian(s); or
- Ages 18-21 who is a “student”, and living in single residence with their parent(s) or guardian(s).