

## EXECUTIVE SUMMARY

Low-income status is a requirement for some Workforce Innovation and Opportunity Act (WIOA) Title I program services. This low-income individual guideline can serve as a reference when enrolling participants into programs and assessing eligibility for educational, employment, and supportive services. The criteria for establishing low-income status include identifying the individual as a recipient of a public program, a special population, or a person who does not exceed the higher of the Lower Living Standard Income Level (LLSIL) or the poverty guideline.

## REFERENCES

- WIOA Sections 3(36), 3(49), 3(50); 127(b)(2)(C), 127(b)(2)(E); 132(b)(1)(B)(v)(IV), and 134(d)(1)(A)(x)
- Training and Employment Guidance Letter (TEGL) 21-16, *Third WIOA Title I Youth Formula Program Guidance* (March 2, 2017)
- Federal Register, Volume 87, Number 66, Workforce Innovation and Opportunity Act (WIOA) 2022 Lower Living Standard Income Level (LLSIL) (April 6, 2022)
- Federal Register, Volume 87, Number 14, Annual Update of the HHS Poverty Guidelines (January 21, 2022)
- EDD Workforce Services Directive 22-09 *70 Percent LLSIL and Poverty Guidelines for 2022, Attachment 1*
- EDD Workforce Services Directive 17-07 *WIOA Youth Program Requirements*
- EDD Workforce Services Division *Workforce Investment Act Eligibility Technical Assistance Guide*
- work2future Operational Directives *Eligibility Technical Assistance Guide*

## POLICY AND PROCEDURES

Multiple methods can be utilized to determine an applicant as a low-income individual. Service Providers must establish low-income status prior to delivery of certain program services and shall maintain a record of documents in the participant file for compliance monitoring and/or audit reviews. Per WIOA definition, a low-income individual is an applicant who qualifies for one or more of the following criteria:

- 1) receives, or in the past 6 months has received, or is a member of a family that is receiving or in the past 6 months has received, assistance through the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), the program of block grants to States for temporary assistance for needy

families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the supplemental security income program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or State or local income-based public assistance;

- 2) is a homeless individual (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2(6))), or a homeless child or youth (as defined under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)));
- 3) receives or is eligible to receive a free or reduced price lunch under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);
- 4) is a foster child on behalf of whom State or local government payments are made;
- 5) is an individual with a disability whose own income meets income-based eligibility criteria as described below, but who is a member of a family whose income does not meet this requirement; or
- 6) is in a family with total family income that does not exceed the higher of the two income-based eligibility criteria of the 70 percent LLSIL or the poverty line.

**Background**

The 70 percent LLSIL and the poverty guidelines are revised annually. The U.S. Department of Labor provides the income figures for 70 percent LLSIL, which includes adjustments for the living area and family size with the minimal self-sufficiency level set at 100 percent LLSIL. The U.S. Department of Health and Human Services also publishes the annual poverty guidelines. The table provided shows income guidelines for individuals residing in the San Jose Metropolitan Statistical Area, which includes San Benito and Santa Clara Counties. The table contains both annual income and six-month income figures at the 70 percent LLSIL, which is derived from the 100 percent LLSIL, along with the poverty guidelines for a family size of up to six individuals. The last column in the table shows the income amount to be added for each additional person beyond a family size of six.

<b>San Jose Metropolitan Statistical Area</b> (San Benito and Santa Clara Counties)							
<b>70% LLSIL</b>							
Family Size	1	2	3	4	5	6	###
Annual	\$13,929	\$22,823	\$31,325	\$38,670	\$45,635	\$53,373	\$7,738
6 Months	\$6,965	\$11,412	\$15,663	\$19,335	\$22,818	\$26,687	\$3,869
100% LLSIL	\$19,898	\$32,605	\$44,749	\$55,243	\$65,193	\$76,247	\$11,054
<b>Poverty Guidelines</b>							
Family Size	1	2	3	4	5	6	###
Annual	\$13,590	\$18,310	\$23,030	\$27,750	\$32,470	\$37,190	\$4,720
6 Months	\$6,795	\$9,155	\$11,515	\$13,875	\$16,235	\$18,595	\$2,360

### Add the amount for each additional person beyond a family size of six

## **Exceptions**

Any exceptions to these guidelines must be approved by the work2future-Director or the authorized representative of the WIOA Service Provider and documented in the participant file.

## **Source of Income**

The following sources should be included to determine an individual's income that does not exceed the higher of the two income-based eligibility criteria of the 70 percent LLSIL or the poverty line:

- Monetary compensation for services, including wages, tips, salary, commissions, or fees before any deductions;
- Net receipts from non-farm self-employment (receipts from a person's own unincorporated 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., wages from the California Conservation Corp);
- Alimony, military family allotments, or other regular support from an absent family member or someone not living in the household;
- Private pensions, government employee pensions (including military retirement pay);
- Regular insurance or annuity payments (including state disability insurance);
- College or university scholarships (not needs-based), grants, fellowships, and assistantships;
- Net gambling or lottery winnings;
- Severance payments;
- Terminal leave pay; and
- Social Security Disability Insurance payments
- Unemployment insurance;
- Child support payments (including foster care child payments).

The following sources should not be included for evaluating an individual's income calculation:

- Need-based public assistance payments (including Temporary Assistance for Needy Families, supplemental security income, emergency assistance money payments, 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;
- Supplemental Educational Opportunity Grants and Federal Work Study;
- 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 from bank withdrawals, the sale of property, a house or a car;
- Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or 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 nonfarm or farm housing;
- Medicare, Medicaid, food stamps, school meals, and housing assistance; and
- Allowances, earnings and payments to individuals participating in programs under WIOA (except on-the-job training wages).

### Income Calculation Guide

Individuals normally receive income as salary, varying, or intermittent payments. The following methods can be used to calculate an individual's income:

- 1) Salary is income received without variation in gross pay from pay period to pay period. Salary information may be provided in a series of pay stubs or one cumulative pay stub.

To determine the individual's annual gross income, multiply their weekly gross pay by 52, bi-weekly pay by 26, bi-monthly pay by 24, or monthly pay by 12. Note that these calculations are based on the assumptions of 26 pay stubs for a bi-weekly schedule on the 52-week calendar period and 24 pay stubs for a bi-monthly pay schedule on the 12-month calendar period.

Example: Year-to-date earnings of \$16,812 with bi-monthly payments. There were 18 bi-monthly payments of \$934.

$\$16,812 / 18 = \$934$ , the bi-monthly payment amount  
 $\$934 \times 24 = \$22,416$ , the annual gross income

To determine an individual's gross income for the most recent six-month time period, multiply the individual's weekly gross pay by 26, bi-weekly pay by 13, bi-monthly pay by 12, or monthly pay by 6.

Example: Bi-weekly pay stubs indicate a gross amount of \$548.

$\$548 \times 13 = \$7,124$ , the income for the most recent six-month time period

- 2) Varying income occurs when reported earnings vary from pay period to pay period. The earnings can be annualized based on the average from several pay stubs or on one cumulative pay stub.

Example: Six weekly pay stubs report the following gross earnings:  
\$534, \$475, \$398, \$534, \$498, and \$534.

Add:  $\$534 + \$475 + \$398 + \$534 + \$498 + \$534 = \$2,973$

Divide:  $\$2,973 / 6 = \$495.50$ , the average gross weekly earnings

Multiply:  $\$495.50 \times 52 = \$25,766$ , the annual gross income

- 3) Intermittent earnings are varied and include periods of unemployment. With as much data as possible, determine the annual gross income by adding the reported earnings.

<b>LOW-INCOME VERIFICATION</b> (A low-income individual must meet one of the criteria below and have acceptable documentation)	
Eligibility Criteria	Acceptable Documentation
1. Receives, or is a member of a family that receives, cash payments under a federal, state, or local income-based public assistance program.	<ul style="list-style-type: none"> <li>• Authorization to receive cash public assistance</li> <li>• Public assistance check</li> <li>• Medical card showing cash grant status</li> <li>• Public assistance records</li> <li>• Refugee assistance records</li> </ul>
2. Received an income, or is a member of a family that received a total family income, for the six-month period prior to application for the program that, in relation to family size, does not exceed the higher of: (A) The poverty line for an equivalent period; or (B) 70 percent of the Lower Living Standard Income Level for an equivalent period.  Note: Documentation should be provided for each applicable inclusive income source received by the applicant and each family member for the six-month income period immediately preceding the determination date.  It is necessary to verify family size when utilizing family income eligibility.  An applicant who claims little or no income must submit a statement that little or no income was received during the past six months, and that he/she was not employed for that period.	<ul style="list-style-type: none"> <li>• Alimony agreement</li> <li>• Award letter from Veterans Administration</li> <li>• Bank statements (direct deposit)</li> <li>• Compensation award letter</li> <li>• Court award letter</li> <li>• Employer statement/contact</li> <li>• Family or business financial records</li> <li>• Housing authority verification</li> <li>• Pay stubs</li> <li>• Pension statement</li> <li>• Public assistance records</li> <li>• Quarterly estimated tax for self-employed persons (Schedule C)</li> <li>• Social Security benefits records</li> <li>• UI documents and/or printout</li> <li>• Low Income Self Attestation – to be used by an applicant who claims little or no income – the applicant must submit a statement that little or no income was received during the past six months, and that he/she was not employed for that period.</li> </ul>

<p>3. The applicant is a member of a household that receives (or has been determined within the 6- month period prior to application for the program involved to be eligible to receive) food stamps pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).</p>	<ul style="list-style-type: none"> <li>• Current authorization to obtain food stamps</li> <li>• Food stamp card with recent date</li> <li>• Current food stamp receipt</li> <li>• Postmarked food stamp mailer with applicable name and address</li> <li>• Statement from County Welfare Office</li> <li>• Public assistance records</li> </ul>
<p>4. Qualifies as a homeless individual, as defined in subsections (a) and (c) of Section 103 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302).</p>	<ul style="list-style-type: none"> <li>• Written statement from an individual providing temporary residence</li> <li>• Written statement from social service agency</li> <li>• Written statement from a shelter</li> <li>• WIOA application and Self-attestation</li> </ul>
<p>5. Foster child for which state or local government payments are made on his/her behalf.</p>	<ul style="list-style-type: none"> <li>• Written confirmation from social services agency</li> <li>• Case notes</li> </ul>
<p>6. An individual with a disability whose own income meets the low-income requirements but is a member of a family whose income does not meet such requirements.</p> <p>Note: Disability status as well as income must be verified. An individual with a disability shall be considered a family of one for eligibility purposes.</p>	<ul style="list-style-type: none"> <li>• Medical records</li> <li>• Physician's statement</li> <li>• Psychiatrist or psychologist diagnosis/statement</li> <li>• Social Security Administration disability records</li> <li>• Letter from drug or alcohol rehabilitation agency</li> <li>• School record/official statement</li> <li>• Observable condition (self-attestation with the interviewer serving as the corroborating witness)</li> <li>• Rehabilitation evaluation</li> <li>• Sheltered workshop certification</li> <li>• Social Service records/referral</li> <li>• Veterans Administration letter/records</li> <li>• Vocational rehabilitation letter/statement</li> <li>• Workers compensation records/statement</li> <li>• Telephone verification</li> <li>• Other applicable, verifiable, documentation</li> </ul>

## Definitions

*Lower Living Standard Income Level* — the term “lower living standard income level” means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor based on the most recent lower living family budget issued by the Secretary.

*Poverty Level* — the income level at which families are considered to live in poverty, as annually determined by the U.S. Department of Health and Human Services. The poverty level is published annually in the Federal Register.

*Poverty Line* — the term “poverty line” means the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with Section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

*Public Assistance* — Federal, state, or local government cash payments for which eligibility is determined by a needs or income test. The statutory definition of public assistance contains a two-part test:

- (1) The program must provide cash payments; and
- (2) Eligibility for the program must be determined by a needs or income test.