

Department of Social and Health Services  
Olympia, Washington

**EA-Z Manual**

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Category / Income  
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**Summary**

Effective 10/1/2009 the earned income incentive for GA and ADATSA recipients changed to 50%.

**CLARIFYING INFORMATION**

1. If a client does not 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. GA ~~U, GAX~~ and ADATSA clients receive an earned income incentive ~~and work expense~~ deduction as described in [WAC 388-450-0175](#), GA ~~U~~ earned income incentive and deduction.
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).

WAC 388-450-0175  
Effective July 1, 2008

**WAC 388-450-0175 Does the department offer income deduction for the general assistance program as an incentive for clients to work?**

The department gives ~~special-a~~ deductions to people who receive income from work while receiving general assistance. The deductions ~~applies~~ to general assistance cash benefits only. We allow the following deductions when we determine the amount

of your benefits:

- ~~1. We only count fifty percent of your monthly gross earned income. We do this to encourage you to work.~~
- ~~1. We subtract eighty-five dollars plus one half of the remainder of your monthly gross earned income as an incentive to employment.~~
- ~~2.1. \_\_\_\_\_ We also subtract an amount equal to twenty percent of your gross earned income to allow for work expenses.~~

This is a reprint of the official rule as published by the [Office of the Code Reviser](#). If there are previous versions of this rule, they can be found using the [Legislative Search page](#).

## CLARIFYING INFORMATION

### Self-employed persons:

Someone who is self-employed as described under [WAC 388-450-0080](#) gets either the \$100 standard self-employment expense deduction or **verified actual costs** of self-employment as described under [WAC 388-450-0085](#).

- ~~• We deduct the self employment costs described above before we apply the GAU earned income incentive and work expense deduction.~~
- We apply the earned income incentive ~~and work expense~~ deduction to the remaining income from self-employment after applying the \$100 standard deduction or verified actual expenses in excess of \$100.

### EXAMPLE

~~Doug works at a local bookstore. He earns \$300 monthly working part time.~~

~~1. Calculating GAU earned income incentive:~~

\$300	Gross earned income
-85	Subtract first \$85
\$215	-
÷2	Divide by 2
\$107.50	-
+85	Add first \$85 back
\$192.50	Earned income incentive

2. Calculating GAU work expense deduction:

\$300 Gross earned income  
x 20% -  
\$60 Work expense deduction

3. Calculating countable earned income for GA-U

\$300 Gross earned income  
-192.50 Earned income incentive  
-60.00 Work expense deduction  
\$47.50 Countable earned income

**EXAMPLE**

Amber is self-employed as an independent contractor delivering newspapers. Her gross earnings are \$500. Her self-employment costs for rubber bands and plastic sleeves total \$75 monthly.

1. Calculating gross earned income from gross self-employment income:

\$500 Gross self-employment income  
-100 Standard self-employment deduction  
\$400 Gross earned income

2. Calculating GAU earned income incentive:

\$400 Gross earned income  
-85 Subtract first \$85  
\$315 -  
÷2 Divide by 2  
\$157.50 -  
+85 Add first \$85 back  
\$242.50 Earned income incentive

3. Calculating GAU work expense deduction:

\$400 Gross earned income  
x 20% -  
\$80 Work expense deduction

4. Calculating countable earned income for GA-U:

\$400 Gross earned income  
-242.50 Earned income incentive  
-80.00 Work expense deduction  
\$77.50 Countable earned income