

Department of Social and Health Services

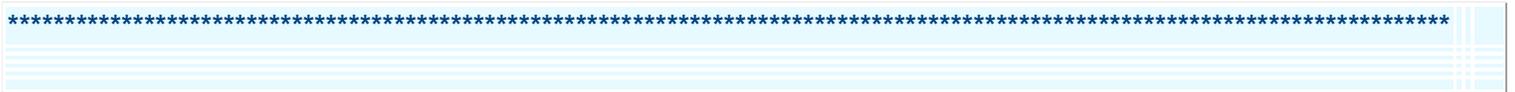
Olympia, Washington

EAZ Manual

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Summary

Updated Worker Responsibilities WAC 388-450-0085 #6 to address foster care payments.
See below for edited text:



Worker Responsibilities - [WAC 388-450-0085](#)

1. **Calculating SE income**

Calculate countable SE income by taking all income received from sales or services and subtracting 50% of the total as a business expense unless the client presents proof of expenses for the same period of time greater than the 50% standard. ACES will calculate the 50% deduction after the worker enters the full SE total income and then ACES subtracts the appropriate earned income disregard (20% for food or 50% for cash). See ACES Users Manual.

2. **Budgeting SE income:** When someone earns SE income, average the income over the period the income covers. If they present proof of actual SE expenses above the 50% standard, average their allowable, verified expenses over the same period.
 1. If the person earns their annual income as SE income, and they receive this income over a period of less than a year, average the SE income over the year.
 2. If a person's income is from SE for only part of the year (they have another source of income for the remainder of the year), average the income over the period of time the income covers.
 3. Use income averaging (CA) method to budget SE income for all benefit months including the application month.

NOTE:

Use income averaging (CA) method for SE income for month of application as under [WAC 388-450-0215](#).

EXAMPLE:

Self-employed client applies for Basic Food on April 14. Worker determines income from SE is primary source of household income and calculates average monthly income verified from most current federal tax return which shows gross income from Schedule C for previous year as \$16,500. Worker divides this amount by 12 to get average monthly income of \$1,375. This amount is used to calculate benefits for month of application and ongoing months. The deduction would be either 50% of the average or verified allowable expenses per [WAC 388-450-0085](#). Benefits for application month are prorated to include April 14-30.

3. **Change in SE income**

If the averaged income doesn't reflect what the person will receive because of a significant increase or decrease in business:

Anticipate the person's SE income for each month; and

1. Average any capital gains they will get over the year.
 2. If someone presents proof of their actual expenses greater than the 50% standard, average or anticipate the expenses for the same period of time you use for the income.
4. **Calculate each SE business separately:** Each SE business is separate.
 1. Calculate the net SE income for each SE enterprise separately.
 2. Don't use the losses of one business to offset the profit of another business.
 3. Don't use the losses of one period to offset the profits of another period.
5. **Farming or fishing income for Basic Food**

1. Calculate the client's total net farm or fishing SE income.
 2. If allowable expenses are more than the SE fishing / farming income, ACES uses this loss to reduce any other sources of SE income.
 3. If there are remaining losses from fishing / farming, ACES uses this income to reduce other sources of earned and unearned income to the assistance unit after allowing the earned income deduction under [WAC 388-450-0185](#).
6. **Boarder income (room and meals provided)**

Count only payments people pay directly to the AU for room and board as income. This does not include foster care payments. ~~if the person in foster care is a member of the AU.~~