

Department of Social and Health Services

Olympia, Washington

EAZ Manual

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Category	Income Allocation and Deeming
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Summary

See below for edited text:

Updating calculation of income to incorporate the Family Earnings Disregard and repeal of WAC 388-450-0115 and WAC 388-450-0116. Updated examples.

Allocation and Deeming

Revised ~~December 18, 2023~~ [August 1, 2024](#)

Purpose:

This section includes cash assistance, medical assistance, and Basic Food rules and procedures for allocating the income of ineligible or non-[AU assistance unit \(AU\)](#) members to an AU, allocating the income of AU members to non-members ([for cash assistance we refer to this as the allocated household income disregard](#)), and deeming a sponsor's income to AUs with a sponsored immigrant.

[WAC 388-450-0105](#) Allocating the income of a financially responsible person included in the assistance unit.

- [Clarifying Information and Worker Responsibilities](#)

[WAC 388-450-0106](#) How does the department count my income if someone in my family cannot get assistance because of their [alien-immigrant](#) status?

- [Clarifying Information](#)

~~[WAC 388-450-0115](#) Does the department allocate the income of a financially responsible person who is excluded from the assistance unit?~~

- ~~[Clarifying Information and Worker Responsibilities](#)~~

~~[WAC 388-450-0116](#) How does the department count my income if I cannot get assistance because I am an alien?~~

- ~~[Clarifying Information and Worker Responsibilities](#)~~

[WAC 388-450-0130](#) Does the department allocate the income of a nonapplying spouse to a caretaker relative?

- [Worker Responsibilities Clarifying Information](#)

Clarifying Information - [WAC 388-450-0105](#)

1. See [WAC 388-450-0106](#) for rules about allocating income of members who are excluded because of [alien-immigration](#) status.
2. ~~Do not allow a payment standard deduction for disqualified assistance unit members.~~

~~Worker Responsibilities - [WAC 388-450-0105](#)~~

1. ~~To determine an assistance unit's eligibility and benefit amount, allocate the income of a financially responsible person included in the assistance unit to meet the needs of legal dependents living either in or out of the home.~~
2. ~~Determine the countable earned income by deducting the applicable work incentive or work expense and any applicable dependent care deduction for employment related child care expenses, as specified in [WAC 388-450-0170](#), from the financially responsible person's gross earned income.~~
3. ~~Combine the financially responsible person's countable earned income and countable unearned income.~~

Subtract the appropriate payment standard for an assistance unit based on the number of ineligible assistance unit members. Do not include persons excluded from the assistance unit due to disqualification.

4.—To meet the needs of each legal dependent not living in the home, deduct the lesser of the department's one person need standard or the actual amount paid for court or administratively ordered support.

Subtract the remaining income from the assistance unit's applicable payment standard.

EXAMPLE #1:

A parent and one of their children receive TANF cash benefits. The parent is employed and pays \$275 court-ordered support for a child not living in the home. The parent has two other children who are not included in the assistance unit as they are probation violators. The parent receives \$1,800 gross income each month from employment.

- $\$833$ (4-person payment standard) - $\$570$ (2-person payment standard) = $\$263$ (allocated household income disregard).
- $\$1,800$ (Gross earned income) - $\$500$ (family earnings disregard) = $\$1,300 \div 2$ (50% Work work incentive) = $\$650$ (cCountable earned income) - $\$570$ (2-person payment standard - 2 ineligible children) = $\$80$
- $\$650$ (cCountable earned income) - $\$275$ (Paid support for child living outside the home/court ordered child support) = $\$375$ - $\$263$ (allocated income/household income disregard) = $\$112$ Countable Income
- $\$570$ (2-person payment standard for TANF) - $\$112$ (cCountable income) = $\$458$ Grant amount

In this example #1, the parent's countable income exceeds the payment standard for a 2-person household and would render the assistance unit ineligible for cash benefits. However, as the parent has three dependent children who they are financially responsible for, the income is reduced to allocate for their needs, allowing the mother and her child to be eligible for benefits.

Example # 2:

A married couple apply for TANF for themselves and their two children. The husband receives unemployment compensation (UC) of \$1,000 each month of which Division of Child Support (DCS) garnishes \$275 for a child living outside the assistance unit.

- $\$1,000$ (Gross UC) - $\$275$ (DCS garnishment/court ordered child support) = $\$725$ (cCountable UC income)
- $\$833$ (4-person payment standard) - $\$725$ (cCountable UC income) = $\$108$ (Grant Amount)

In this example #2, the husband's gross UC exceeds the payment standard. However, the husband has one dependent he is financially responsible for, which allows the assistance unit to be eligible for TANF.

EXAMPLE #3 - Ineligible Husband:

Using the same household composition from the previous example, except ~~A Jane and Sam, a married couple,~~ apply for TANF for themselves and their two children. ~~Sam pays \$275 in child support for a son living outside the home. The husband's gross monthly earned income is \$700 and \$450 unearned income – he is ineligible due to a probation violation, his the wife's gross earned income is \$800 per month and the ineligible husband earns \$700 gross income per month.~~

Ineligible Husband Calculation:

- ~~• \$700 (Gross earned income) – \$90 (Work Expense) = \$610 (Countable earned income) – \$570 (2 person payment standard) = \$40 (available to the assistance unit)~~
- ~~• Wife~~
- ~~• \$800 (Gross earned income) ÷ 2 (Work incentive) = \$400 (Countable earned income) + \$40 (Available from husband's income) = \$440 – \$200 (Paid support for child living outside the home) = \$240 Countable income.~~
- ~~• \$833 (4-person payment standard) - \$706 (3-person payment standard) = \$127 (allocated household income disregard for ineligible husband).~~
- ~~• \$800 (wife Jane) + 700 (husband Sam) = \$1500 - \$500 (family earnings disregard) = \$1000 ÷ 2 (50% work incentive) = \$500 + \$450 (unearned income) = \$950~~
- ~~• \$950 – \$127 (allocated household income disregard) – \$275 (court ordered child support) = \$548 (Countable income)~~
- ~~• \$706 (3-person payment standard) - \$240-548 (Countable income) = \$466-\$158 Grant Amount~~

In this example #3, the ineligible husband's countable earned and unearned income exceeds the payment standard for ~~himself and child~~the household, ~~allocating income for his needs and deducting the child support payment making makes~~ the difference (~~\$40~~~~548~~) available to the assistance unit ~~and added to the assistance unit's countable earned and unearned income reducing the grant by that amount.~~

EXAMPLE #4:

Following the previous example, except the parents ~~Parents~~ are not married.

~~Kamilla, An-an~~ employed mother and two children are receiving TANF cash benefits. ~~SheHer~~ monthly earned income is \$800 and ~~she~~ pays \$200 child support each month for a child living outside the home. The father, ~~Tristan, of the two TANF children~~ resides in the home ~~and not aided in the assistance unit because he is a fleeing felon. also. He is employed~~His monthly earned

income is \$700, and he is not included in the assistance unit because he is a fleeing felon. The father Tristan's minor daughter is also ~~has his daughter~~ residing in the home, ~~she is a probation violator, and is ineligible as she does not have a social security number.~~

Ineligible Father and daughter

- ~~—\$700 (Gross earned income) — \$90 (Work expense) = \$610 (Countable earned income) — \$570 (2-person payment standard) = \$40 (Available to assistance unit)~~
- ~~\$959 (5-person payment standard) — \$706 (3-person payment standard) = \$253 (allocated household income disregard).~~

Mother Calculation:

- ~~\$800 (Kamilla's Ggross earned income) + \$700 (Tristan's gross earned income) = \$1500 - \$500 (family earnings disregard) = \$1000 ÷ 2 (50% wWork incentive) = \$ 400-500 (Countable earned income) + \$40 (Available from husband's income) = \$400~~
- ~~\$500 - \$200 (court ordered Paid-child support for child living outside the home) - \$253 (allocated household income disregard-) = \$240-47 Countable income~~
- ~~\$706 (3-person payment standard) - \$240-47 (cCountable income) = \$466-659 Grant Amount~~

In this example #4, the ineligible father's countable ~~earned and unearned~~ income ~~exceeds the payment standard for himself and his ineligible child. As such is included in the calculation of benefits,~~ the ~~difference remaining countable income~~ is available to meet the needs of his eligible TANF children and added to the assistance unit's net income.

Clarifying Information - WAC 388-450-0106

1. If an immigrant was sponsored into the United States, use WAC 388-450-0155, WAC 388-450-0156, and WAC 388-450-0160 to see how much of the sponsor's income we count.

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EXAMPLE #1:

A ~~legal-lawfully present~~ immigrant mother and one U.S. citizen child receive TANF cash benefits. The mother is employed and pays \$200 court-ordered support for a child not living in the home. Mother has two other children who are excluded from the assistance unit because of their immigrant status. The mother receives \$1,000 gross earned income each month from her employment.

- ~~\$833 (4-person payment standard) - \$570 (2-person payment standard) = \$263 (Difference between 2 & 4 person payment standard = allocated household income disregard)~~

- $\$1,000$ (Gross earned income) - $\$500$ (family earnings disregard) = $\$500 \div 2$ (50% Work incentive) = $\$250$ (Countable earned income)
- $\$250$ - $\$200$ (court ordered child support) - $\$263$ (Difference between 2 and 4 person payment standard allocated household income disregard) = $\$237$ - $\$200$ (Paid support for child living outside the home) = $\$37$ **Countable income**
- $\$570$ (2-person payment standard) - $\$37$ (Countable income) = $\$533$ **Grant Amount**

EXAMPLE #2:

An employed mother and her two children receive TANF cash benefits. The mother pays \$200 support each month for a child living outside the home. Her husband is excluded from the AU because of his immigrant status. One of their children is also excluded from the AU because of her immigration status. Mother receives \$1,100 gross income from her employment.

- $\$959$ (5-person payment standard) - $\$706$ (3-person payment standard) = $\$253$ (allocated household income disregard) **Difference between 3 & 5 person payment standard**
- $\$1,100$ (Wife's gross earned income) - $\$500$ (family earnings disregard) = $\$600 \div 2$ (50% Work incentive) = $\$300$ (Wife's countable earned income)
- $\$300$ - $\$200$ (court ordered child support) - $\$253$ (Difference between 3 and 5 person payment standard allocated member deduction) - $\$200$ (paid support for child live outside the home) = $\$297$ - $\$200$ (Paid support for child living outside the home) = $\$97$ **Countable Income**
- $\$706$ (3-person payment standard) - $\$97$ (Countable income) = $\$609$ **Grant Amount**

EXAMPLE #3:

An employed mother and her two children are receiving TANF cash benefits. The father of the two TANF children also resides in the home. He is not included in the assistance unit AU because of his immigration status. The mother-father also has a 17-year-old son who lives in the home but is not included in the AU because he is a probation violator of his immigration status. The mother receives \$1,400 gross earned income each month.

- $\$833$ - $\$959$ (4-person payment standard) - $\$706$ (3-person payment standard) = $\$127$ - $\$253$ (Difference between 3 and 4 person payment standard allocated household income disregard)
- $\$1,400$ (Wife's gross earned income) - $\$500$ (family earnings disregard) = $\$900 \div 2$ (50% Work incentive) = $\$450$ (Wife's countable income)
- $\$450$ - $\$127$ - $\$253$ (Difference between 3 and 4 person payment standard allocated household income disregard) = $\$573$ - $\$197$ - $\$450$ (1 person payment standard for son's needs who is a probation violator) = $\$123$ - $\$197$ **Countable Income**

- $\$706$ (3-person payment standard) - $\$123-197$ (Countable income) = **$\$583-509$ Grant Amount**

EXAMPLE #4:

A recently married woman and her child receive TANF cash benefits. The new husband is an undocumented immigrant. The woman has earnings of \$1,200 per month. The husband earns \$300 per month.

For Cash Only

- $\$706$ (3-person payment standard) - $\$570$ (2-person payment standard) = $\$136$ (allocated household income disregard)
- $\$1,200$ (wife's gross earned income) + $\$300$ (husband's gross earned income) = $\$1500$ - $\$500$ (family earnings disregard) = $\$1000 \div 2$ (50% work incentive) = $\$500$
- $\$500$ - $\$136$ (allocated household income disregard) = $\$364$ **Countable Income**
- $\$570$ (2-person payment standard) - $\$364$ (countable income) = **$\$206$ Grant Amount**

~~A recently married woman and her child receive TANF cash benefits. The new husband is an undocumented immigrant. The woman has earnings of \$1,200 per month. The husband earns \$300 per month. Calculate the woman's countable cash income per WAC 388-450-0106. Calculate the husband's cash income per WAC 388-450-0116. Combine the calculated totals for the countable income.~~

For Basic Food Only

The same household also receives Basic Food benefits. Count all her income and a prorated share of the undocumented immigrant's income. Divide his earnings by the number of people in the AU, subtract the 20% disregard, and the total is his countable income.

- $\$300$ (Husband's Gross earned income) \div 3 People in household = $\$80$ each
- $\$160$ (Countable earned income from husband deemed to Mom and child as unearned)
- $\$1,200$ (Mom's earnings) - 20% (Subtract the 20% earned income disregard) = $\$960$ (Total countable earnings) + $\$160$ deemed from husband = $\$1,120$

- 1.— See WAC 388-450-0116 for rules on allocating the income of a financially responsible person excluded from the assistance unit **because of their immigrant status**.
- 2.— Do not allow the 50% work incentive for a financially responsible person excluded from the assistance unit.
- 3.— Do not allow a payment standard deduction for disqualified assistance unit members.

Worker Responsibilities—WAC 388-450-0115

- 1.— To determine an assistance unit's eligibility and benefit amount, allocate the income of a financially responsible person who is excluded from the assistance unit to meet the needs of legal dependents living in the home and outside the home.
- 2.— Determine the countable earned income by deducting the \$90 work expense and any applicable dependent care deduction for employment related child care expenses, as specified in WAC 388-450-0170, from the gross earned income of the employed financially responsible person who is excluded from the assistance unit.
- 3.— Combine the countable earned income and countable unearned income of the excluded financially responsible person.
- 4.— Subtract the appropriate payment standard for an assistance unit based on the number of ineligible assistance unit members. Do not include persons excluded from the assistance unit due to disqualification.
- 5.— To meet the needs of each legal dependent not living in the home, deduct the lesser of the department's one-person need standard or the actual amount paid for court or administratively ordered support.
- 6.— Consider the remaining income as available to meet the needs of the assistance unit members.

EXAMPLE:

A mother and one child receive TANF cash benefits. The mother pays a court ordered support payment of \$160 each month for a child living outside the home. The mother's husband, and father of the TANF child, reside in the home with his 19-year-old child, for whom he is financially responsible. The husband is excluded from the assistance unit as he is a fleeing felon. He receives \$1,000 per month from employment. He also pays \$100 per month support for a dependent child living outside the home.

Ineligible Husband

- 1.— \$1,000 (Husband's gross earned income) — \$90 (Work expense) = \$910 (Countable earned income) — \$570 (2-person payment standard for ineligible husband and his ineligible child) = \$340 — \$100 (Husband's paid support for his child living outside the home) = 240 (Amount to be allocated to the assistance unit)

Eligible Wife

1. $\$240$ (Available income from her husband) $-\$160$ (Wife's paid support for her child living outside the home) = **$\$155$ Countable Income**

1. $\$570$ (person payment standard) -80 (Countable income) = **490 Grant Amount**

Clarifying Information WAC 388-450-0116

1. If an immigrant was sponsored into the United States, use WAC 388-450-0155, WAC 388-450-0156, and WAC 388-450-0160 to see how much of the sponsor's income we count.

EXAMPLE:

A TANF AU consists of a citizen mother and two children. Also in the household is the undocumented father. He is employed and receives \$700 earnings.

1. $\$833$ (4 person payment standard) -706 (3 person payment standard) = **127 Difference between 3 and 4 person payment standard**

2. $\$700$ (Husband's gross earned income) $\div 2$ (Work Incentive) = $\$350$ (Husband's countable earned income) $-\$127$ (Difference between 3 & 4 person pmt std) = **$\$223$ Countable Income**

3. $\$706$ (3 person payment standard) $-\$223$ (Countable income) = **$\$483$ Grant Amount**

EXAMPLE:

A TANF AU consists of a mother who was legally admitted under the Immigration Reform and Control Act (IRCA) and her citizen child. The child's father was legally admitted under IRCA and employed receiving \$700 earnings. He is also a fleeing felon. The couple's undocumented child also resides in the home. This child is pregnant.

1. $\$706$ (2014 3 person payment standard) $-\$570$ (2 person payment standard) = **$\$136$ Difference between 3 and 4 person payment standard**

2. $\$700$ (Husband's gross earned income) $-\$90$ (Work expense) = $\$610$ (Husband's countable earned income) $-\$136$ (Difference between 3 and 4 payment standard) = $\$474$ $-\$450$ (Husband's needs) = **$\$24$ Countable Income**

3. $\$570$ (2 person payment standard) $-\$24$ (Countable income) = **$\$546$ Grant amount**

In this situation, the father is allowed a one person payment standard for his needs because he is a legal immigrant. The couple's undocumented child is allowed only the difference between the payment standard which would include the child if she were a citizen and the payment standard for eligible citizen assistance unit members.

EXAMPLE:

A household consists of a needy mother and father who were legally admitted under the Immigration Reform and Control Act (IRCA), their undocumented minor child and her U.S. citizen child. The undocumented minor child is employed and receives \$700 earned income. The minor parent was recently hospitalized for an emergent condition.

If the minor parent is the primary caretaker of her child, the minor parent would receive a grant for her child after allocating her income:

1. ~~\$570 (2 person payment standard) - 450 (1 person payment standard) = **\$120 Difference between 1 and 2 person payment standard**~~
2. ~~\$700 (Minor parent's gross earned income) ÷ 2 (Work incentive) = \$350 (Minor parent's countable earned income) - \$120 (Difference between 1 and 2 person payment standard) = **\$230 Countable Income**~~
3. ~~\$450 (1 person payment standard) - \$230 (Countable income) = **\$220 Grant amount**~~

In this situation, the parents of the minor parent are not eligible for cash assistance as they do not have an eligible child in the home.

If, however, major mom was determined to be the primary caretaker relative of her grandchild, major mom and the grandchild would be eligible for TANF.

1. ~~\$706 (3 person payment standard) - \$570 (2 person payment standard) = **\$136 Difference between 2 and 3 person payment standard**~~
1. ~~\$700 (Minor parent's gross earned income) ÷ 2 (Work incentive) = \$350 (Minor parent's countable earned income) - \$136 (Difference between 2 and 3 person payment standard) = **\$214 Countable Income**~~
2. ~~\$570 (2 person payment standard) - \$214 (Countable income) = **\$326 Grant Amount**~~

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Worker Responsibilities - WAC 388-450-0130

1. When residing together, allocate the income of a nonapplying spouse to meet the needs of the applying spouse who requests inclusion in the assistance unit as a needy caretaker relative of specified degree (e.g., a grandparent applying with a grandchild or an aunt applying with a niece/nephew).

~~Determine the community income of both caretaker relatives, as specified in WAC 388-450-0005.~~

~~Subtract a one person payment standard from the couple's community income.~~

Subtract the remaining income from the assistance unit's applicable payment standard to determine the grant amount.

EXAMPLE #1:

Aunt applies for assistance for her nephew and herself as a needy caretaker relative of specified degree. The aunt's husband also resides in the home. Their income consists of his retirement pension of \$600 per month. Determine eligibility as follows:

- $\$706$ (3-person payment standard) - $\$570$ (1-person payment standard) = $-\$256$ (136) (Allocated household income disregard)
- $\$600$ (pension) Total community income) - $\$450$ (256 - 136) (1-person payment standard allocated household income disregard income) = $\$150$ (344) **Countable Income**
- $\$570$ (2-person payment standard) - $\$464$ (150 - 344) (Countable income) = $\$420$ (226) **Grant Amount**

In this situation, it would be to the household's advantage to deny discuss non-needy assistance to the needy caretaker relative, as the child alone would be eligible for a grant amount of \$450.

NOTE:

If the allocated income of the adults non-applying spouse decreases the payment standard cash grant to less than the payment standard without the needy relative, always advise the needy relative of the option to receive cash benefits for the eligible child(ren) only.