

Income Types

- I. Income is the total gross income before deductions for income taxes, employees' social security taxes, insurance premiums, employee paid benefits, bonds, etc.; received by any and all members of a household. The following income must be included when calculating income:
 - a. Monetary compensation for services. Includes wages, salary, overtime and bonuses (including income from child care/babysitting, etc.), sales commissions, tips, fees, consultant fees, training stipends (except where elsewhere excluded). Includes seasonal work, part-time work, and temporary work.
 - i. Applicants may show proof of income by providing one of the following: current pay statements(s) from all sources noting the pay time frame (weekly, bi-weekly, monthly, etc), a signed statement from their employer indicating gross earnings for a specified period or if current pay stubs are not reasonably available, an income tax return filed for the most recently completed tax year may be used. If a tax form must be used, total income as shown on tax form must be counted. (Example: Form 1040 line 9).
 - b. Military pay. Includes basic pay, food (BAS) and clothing cash allowances, military bonuses and incentives, including non-combat overseas and hazardous duty pay, CONUS COLA and GI Bill funds. (See income exclusions.)
 - i. Applicants may show proof by providing a recent Leave and Earnings Statement (LES).
 - ii. If bonus pay is intermittent, see Special Income Situations- Calculating income of deployed military personnel.
 - c. Public assistance or welfare payments. Includes Family Employment Program (TANF), Supplemental Security Income (SSI) or General Assistance.
 - i. Applicants may show proof by providing pay statement(s) or award letter stating current amount of earnings.
 - d. Alimony and child support. Includes payments received.
 - i. Applicants may show proof by providing a divorce decree, an award letter, a copy of a check received or a letter from the source.
 - ii. Child support and alimony payments paid by an applicant cannot be excluded from their income.

- e. Unemployment compensation received. Also includes severance pay or strike benefits from union funds.
 - i. Applicants may show proof by providing an unemployment letter or notice.
- f. Other cash income. Includes, and is not limited to: cash amount received or withdrawn from any source including savings, investments, trust accounts and other resources which are readily available to the family.
 - i. Applicants may show proof by providing bank or account statements indicating regular withdrawals on the account(s).
 - ii. For applicants living off of savings, money withdrawn or transferred to another account such as checking for use is considered income.
- g. Regular contributions. Includes but is not limited to: contributions from persons not living in the household, allowances from family, allowances or contributions from foreign governments, or regular financial contributions from religious or charitable organizations.
 - i. Applicants may show proof by providing a letter from the person or organization contributing resources to the household.
- h. Stipends for living expenses. Payments received that are designated for basic living expenses are counted as income. Grants, student loans, and most scholarships are not considered income. If the client reports educational income, staff need to ask if they are given additional money as a living stipend. If yes, they need to submit their award letter for documentation.
- i. Rental income. Net rental income as shown on Federal tax form. Net rental income generally includes any payments received from rental properties minus expenses.
 - i. Applicants may show proof by providing an income tax return for the most recent calendar year.
- j. Assets drawn down. Includes withdrawals from a bank, investment or other account. Sale of a property, sale of a house or sale of a car which is not reinvested into the purchase of another property, house, or car etc. Does not include tax refunds.
 - i. Applicants may show proof by providing bank or account statements indicating regular draws on the account(s) or a bill of sale.

- k. Garnished wages and bankruptcy income.
 - i. May show proof by providing current pay statement(s).
- l. Worker's compensation. Includes any insurance payments or compensation for an injury.
- m. Pensions and annuities. Includes any pensions or retirement benefits paid to the retired or their survivors either directly or through an insurance agency.
- n. Self employment/independent contractors (farm or non-farm). Includes net profit as shown on Federal tax form.
 - i. Total income is recorded on line 9 of form 1040. This amount includes all sources of income and should be the amount used for WIC purposes.
 - ii. For newly self employed applicants who have not yet completed a Federal tax return, The definition of net profit is the same as that used for tax purposes and generally includes gross receipts minus expenses. Gross receipts are the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, and business taxes.
 - iii. Independent contractors, who are not considered employees of the company they work for, for example, ride share drivers or similar service providers, should be filing taxes as self-employed. Those policies should be followed to document income.
 - iv. For self employed farmers net profit is defined as gross receipts, minus operating expenses, from the operation of a farm. Gross receipts are the value of all products sold, government crop loans, money received from rental of farm equipment, receipts from the sale of wood, etc. Operating expenses include cost of feed, fertilizer, seed, various farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes, etc.
 - v. Net profit does not mean taxable income after deductions for personal exemptions and itemized or standard deductions.
 - vi. Applicants may show proof by providing an income tax return for the most recent calendar year, or if no tax return has been completed, accounting records for the self-employed may be provided.

- o. Dividends or interest. Includes dividends or interest earned on savings or bonds, income from estates or income from trusts.
 - i. Applicants may show proof by providing an income tax return for the most recent calendar year or bank or account statements.
- p. Social Security. Includes any Social Security benefits (SS, SSI, Survivors, and Disability/SSDI) received.
 - i. Applicants may show proof by providing check stub(s) or an award letter from Social Security stating the current amount of earnings or bank statements.
- q. Government Civilian Employee. Includes military retirements, pensions, Veteran's payments, private pensions or annuities.
 - i. Applicants may show proof by providing an annual statement that shows the monthly amount of retirement income.
- r. Net royalties. Includes payments received as shown on Federal tax form.
 - i. Applicants may show proof by providing an income tax return for the most recent calendar year.