

WIOA TITLE I-B ADULT, DISLOCATED WORKER¹, AND YOUTH PROGRAM

INCOME INCLUSIONS/EXCLUSIONS FOR LOW INCOME DETERMINATION & METHODS FOR CALCULATING THE INCLUDED INCOME

Income Included	Income Excluded
1. Alimony.	1. Cash payments under Federal, state, or local income-based public assistance programs.
2. Child support payments.	2. Veteran's severance pay.
3. College or university grants, fellowships, assistantships (excluding needs-based scholarships and the Pell grant).	3. Temporary Assistance for Needy Families (TANF) Payments.
4. Net royalties and period receipts from estates and trusts.	4. Supplemental Security Income (SSI) from the Social Security Administration.
5. Gross wages/salaries (before deductions), including wages earned from On-the-Job training (OJT) and wages earned while on reserve duty.	5. Foster child care payments.
6. Net receipts from non-farm self-employment (receipts from an individual's own incorporated business, professional enterprise, or partnership) after deductions for business expenses.	6. Capital Gains.
7. Interest and dividends.	7. Any assets drawn down as withdrawals from a bank, sale of property, a house, or a car.
8. Military family allotment or other regular benefits from an absent family member.	8. Tax refunds.

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9. Net winnings from gambling or lottery.	9. One-time gifts, loans, and lump-sum inheritances.
10. Unemployment Insurance payments.	10. One-time insurance payments such as those from an accident, death, or casualty.
11. Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper) after deductions of farm operating expenses.	11. Non-cash in-kind benefits such as employer paid fringe benefits, food stamps, Medicare, Arizona Health Care Cost Containment System (AHCCCS), school meals, fuel, or other housing assistance and food or housing received in lieu of wages.
12. Survivor insurance benefits under section 202 of the Social Security Act.	12. Needs-based financial aid (Pell grants and other scholarships).
13. Social Security Retirement (regular payments).	13. Income earned while on active military duty or certain other veteran's benefits such as compensation for service-connected disability, compensation for service-connected death, vocational rehabilitation, and educational assistance.
14. Social Security Disability Insurance (SSDI) (regular payments).	
15. Railroad retirement.	
16. Strike benefits from union funds (regular payments).	
17. Worker's compensation (regular payments).	
18. Training stipends.	

EXHIBIT 100.2

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19.Pensions (such as private, government, military retirement).	
20.Net rental income.	

¹ Under the DW program, the income listed as included “should only be used” if the participant is employed and/or underemployed at the point of eligibility determination.

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METHODS OF CALCULATING INCOME:

When calculating income, the Subrecipient is encouraged to use any one of the following methods as appropriate. The examples are illustrative only and the Subrecipient should obtain as many multiple pay stubs as needed and available to accurately calculate family income.

1. Straight Pay or Salary Method

Under the Straight Pay Method, the participant supplies a sample of pay stubs covering the most recent three to four months (out of the six months) of family income. Upon reviewing the pay stubs, the intake worker determines that the wages on the pay stubs are the same, with no variations.

The intake worker will calculate the income based upon the wages indicated on one of the pay stubs, since there are no variations in the gross income on any of the pay stubs. Based upon the length of the pay period represented by the pay stubs, (weekly, bi-weekly or monthly) the gross income is multiplied by the number of pay periods in a year. That is 52 x gross wages, 26 x gross wages, or 12 x gross wages, respectively. The result will be the annual income. Divide the annual income by 2 to determine the six-month income used to determine WIOA low-income eligibility.

***Example:** Five (5) pay stubs are provided indicating gross wages of \$548.00 each. The pay stubs are sporadic and cover a period of (3) months. The pay frequency is bi-weekly (13 pay periods in 6 months). An intake worker would multiply the gross wages indicated on the pay stubs by the frequency occurrence.*

Multiply: $13 \times \$548 = \$7,124$. This is the six-month income used to determine WIOA low-income eligibility.

Note: The AJC System does the calculations “annually” - using the example result of \$7, 124; multiply this amount by 2 to come up with the annual income for a total of \$14, 248.

2. Average Pay Method

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Under the Average Pay Method, a sample of six pay stubs are submitted which show variations in the gross earnings. The variations may result from overtime, lost time, or working for different employers.

In calculating the six-month income, the intake worker must determine the average gross earnings based upon the number of pay stubs provided. To determine the average gross earnings, the intake worker must total the gross earnings of all the pay stubs provided and divide the result by the number of pay stubs. The result will be the average gross earnings per pay period. After determining average gross earnings per pay period, the intake worker will then determine the pay frequency and multiply the gross average earnings by the number of pay periods in the six-months.

Example: Participant provides an intake worker with six (6) pay stubs with gross earnings of \$534, \$475, \$398, \$534, \$498.00, and \$534. The pay frequency is weekly. The intake worker should do the following: Add: $\$534 + \$475 + \$398 + \$534 + \$498 + \$534 = \$2973.00$.

Divide: $\$2,973/6$ (6 is the number of pay stubs provided) = $\$495.50$ – This is the average gross earnings per weekly pay period.

Multiply: $\$495.50 \times 26$ (there are 26 weekly pay days in a six-month period) = $\$12,883$. This is the six-month income amount used to determine WIOA low-income eligibility.

Note: The AJC System does the calculations “annually” - using the example result of \$12, 883; multiply this amount by 2 to come up with the annual income for a total of \$25, 666.

3. Year-To-Date Method

Under the Year-To-Date Method of calculating six-month gross income, the participant provides recent pay stubs with cumulative year-to-date gross earnings indicated on the pay stub. The cumulative year- to-date gross earnings indicate the gross earnings up to the date of the pay period ending date, on the pay stub. To compute the six-month income, the intake worker counts the number of pay periods that have occurred in the year-to-date period and divides that number into the gross year-to-date earnings indicated on the pay stub to get the amount

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of each paycheck. The result of this computation (average gross income per pay period) is then multiplied by the number of pay periods in a six-month period to determine the six-month gross earnings.

***Example:** Participant provides the intake worker with a recent pay stub showing his year-to-date earnings were \$25,200 for the 14 pay-periods so far that year. The date of the pay stub provided was July 3 for \$1800. His gross earnings each pay period is the same. The pay frequency is bi-weekly, every other Friday. There are 13 pay periods for the six (6)-month period counting back from July 3. Calculation of the gross annualized income would be done as follows:*

Multiply: \$1800 by 13 (No. of pay periods in 6 months) = \$23,400.

\$23,400 is the 6-month income figure for this individual or family member.

Note: The AJC System does the calculations “annually” - using the example result of \$23, 400; multiply this amount by 2 to come up with the annual income for a total of \$46, 800.

4. Intermittent Work Method

When an applicant has not had steady work with one or more employers, she/he should supply as many pay stubs as possible and complete an Applicant Statement explaining all missing pay stubs and non- work periods during the last six months. In such cases, the intake worker totals all wages for the six- month period.

If the applicant reports little or no includable income, she/he should indicate the resources relied upon for life support during the last six months, on an Applicant Statement or by utilizing [WIO-1027A](#). Such resources may include, but not limited to:

- Unpaid debts;
- Gifts;
- Loans; or
- Unemployment compensation.