

	INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY	
	Chapter 15: Eligibility	Effective Date: January 1, 2020
	Section 7: Income Requirements	Version: 3

STATEMENTS OF PURPOSE

The Indiana Department of Child Services (DCS) will review the income available to a child's assistance group during the removal month to determine if the child is eligible for Title IV-E Foster Care (Title IV-E) funding. In order to be eligible, the child's assistance group must meet the Aid to Families with Dependent Children (AFDC) program income requirements in effect on July 16, 1996. See policy [15.5 Assistance Group](#) for information on determining who is included in a child's assistance group.

Code References

1. [42 USC 672\(a\), \(h\), and \(j\): Removal and foster care placement requirements](#)
2. [45 CFR 1356.21\(l\): Living with a specified relative](#)
3. [45 CFR 233.10: General provisions regarding coverage and eligibility](#)
4. [45 CFR 233.20: Need and amount of assistance](#)
5. [465 IAC 2-7-5: Title IV-E; foster care eligibility](#)

PROCEDURE

The DCS Central Eligibility Unit (CEU) will:

1. Review the eligibility information in the case management system; and
2. Make an eligibility determination.

PRACTICE GUIDANCE

Calculating Income

The total income available to the assistance group includes the countable earned and unearned income based on the month it was received, not the month it was earned. The total monthly income for all members of the assistance group is compared against the 185% and 100% standards of need. If the assistance group's income does not exceed either standard of need, the AFDC income requirement is met.

Note: In addition to the individuals in the assistance group, a portion of the earned and unearned income of the following individuals may also be considered:

1. Step-parent;
2. Unqualified alien parent; and
3. Senior parent (the parent of a minor parent).

The countable earned and unearned income must not exceed the income limits for the child's assistance group size. The income limits are based on Indiana's AFDC Program Standard of Need effective July 16, 1996. See [Related Information](#) for more information regarding earned, unearned, and exempt income.

FORMS AND TOOLS

[Title IV-E and Title IV-A/EA Information \(SF 55435\)](#)

RELATED INFORMATION

Supporting Documentation for Calculating Income

Examples of acceptable supporting documentation of the income criteria include, but are not limited to, copies of the following:

1. Removal petition documenting persons living in the removal home at the time of removal and their relationship to the child;
2. Paycheck stubs or statements;
3. W-2 forms;
4. Assessment Narrative in the case management system;
5. Employer statements;
6. Public Assistance records;
7. Bank statements;
8. Tax documents;
9. Statements from reliable persons cognizant of the facts; and
10. [Title IV-E and Title IV-A/EA Information \(SF 55435\)](#).

Earned Income

Earned income is income received through a person's work or efforts. Examples of countable earned income (the gross amount) include, but are not limited to, the following:

1. Wages, salaries, and tips;
2. Commissions;
3. Bonuses;
4. Sick pay;
5. Vacation pay;
6. Severance pay;
7. Rental income from property;
8. In-kind earnings (i.e., the dollar value of the work performed as established by the employer); and
9. Wages from self-employment (e.g., farming, babysitting, and house cleaning).

Unearned Income

Unearned income is any income received by or available to the assistance group that is not gained through the provision of labor or service. Examples of countable unearned income include, but are not limited to, the following:

1. Child support;
2. Disability benefits;
3. Retirement, Survivors, and Disability Insurance (RSDI) benefits;
4. Retirement benefits;
5. Pensions;
6. Veteran's benefits;
7. Unemployment insurance/benefits;
8. A portion of the income from excluded assistance group members;
9. Worker's compensation;

10. Investment income, such as dividends or interest from stocks, bonds, or savings accounts;
11. Alimony; and
12. Cash contributions or gifts (e.g., cash from relatives, churches, friends, gambling winnings, or charitable organizations).

Exempt Income

Exempt income is not counted in the income calculation. Examples of exempt earned and unearned income include, but are not limited to:

1. Earned income of a dependent child who is a full-time student or a part-time student and a part-time employee;
2. Need-based assistance (e.g., Temporary Assistance for Needy Families [TANF] and Food Stamps);
3. Foster Care payments;
4. Adoption Assistance Program (AAP) or State Adoption Subsidy (SAS) payments;
5. Guardianship Assistance Program (GAP) or State Guardianship Assistance Program (SGAP) payments;
6. A child's earned income received from participation in employment programs established under the Workforce Investment Act (previously the Job Training Partnership Act);
7. Section 8 and Housing and Urban Development (HUD) subsidies;
8. Earned income tax credits or income tax refunds; and
9. Supplemental Security Income (SSI);

Note: SSI and RSDI are both Social Security benefits and classified as unearned income. However, these benefits are treated differently in determining Title IV-E eligibility. An individual in receipt of SSI is *excluded* from the assistance group and the income calculation when determining financial need. RSDI is *included* in the assistance group's income when determining financial need. It is important to carefully verify and document the type of Social Security benefits received by any assistance group member.

Child Residing with a Parent in a Licensed Residential Family-Based Treatment Facility for Substance Abuse

A child placed with a parent residing in a licensed residential family-based treatment facility for substance abuse may be eligible for Title IV-E regardless of whether the Aid to Families with Dependent Children (AFDC) criteria are met.