

Administrative Procedures Appendix #6a

Income and Family Size Verification Guidance

Income Verification Guidance:

The following are included in verifying income:

- Earned income from all sources including gross wages from work, cash, and in-kind payments received by an individual in exchange for services and net income from self employment
- Unearned income including cash and contributions received by an individual for which the individual does not perform a service such as alimony, child support, military family allotments or other regular support from an absent family member, pensions, public assistance (including Temporary Assistance for Needy Families, Supplemental Security Insurance, Emergency Assistance money payments and non-Federally Funded General Assistance or General Relief money payments), and dividends, interest, net income, net royalties and periodic receipts from estates or trusts.
- Unearned benefits received periodically by an individual, such as unemployment compensation, workman's compensation, gambling or lottery winnings, or retirement benefits.

Income Deductions:

The following are deducted when determining family income:

- Voluntary or court-ordered child support or child support paid by the parent or caretaker or family member to a present or former spouse not residing in the same household.
- A medical expense not reimbursed through medical insurance that exceeds 10% of the family gross monthly income.

Income Exclusions:

The following are excluded when determining family income:

- Employment earnings of an individual who is an emancipated minor
- Tax refunds, including earned income tax credits
- Withdrawals of bank, credit union or brokerage deposits or money borrowed
- Loans or grants, such as scholarships or income from federal student aid or participation in work-study program
- Payments to Volunteers in Service to America, such as AmeriCorps or Foster Grandparent programs
- Any foster care payments by a foster care placement agency, including payments to permanent legal custodians or adoption assistance payments by county children and youth agency
- Food Stamps

Whose Income is Counted?:

- The parent or caretaker of the child
- The parent or caretaker's spouse or the other biological parent if living together
- Children's, excluding a child's earned income

- “Caretaker” means the father or mother of a child, an adult who has legal custody of a child, an adult who is the guardian of a child, or an adult who stands in loco parentis, as defined in this rule, with respect to a child and whose presence in the home is needed as the caretaker of the child.
- “Spouse” means married to the parent of the eligible child. If not married but residing with the parent of the eligible child, person’s income does not count.

Time Period:

The period of time for income verification is the twelve months immediately preceding the month in which the application or reapplication for enrollment of a child is made, or for the calendar year immediately preceding the calendar year in which the application or reapplication is made.

Verification of Income:

- Acceptable verification of **earned income** from employment includes pay stubs reflecting earnings, W-2 forms, the IRS form used for reporting tips, a written employer statement of anticipated earnings or other document that establishes the parent’s or caretaker’s anticipated earnings from employment.
- Acceptable verification from **self employment** includes tax returns, business records or other documents establishing profit from self employment.
- Acceptable verification of **unearned income** includes a copy of a current benefit check, an award letter that designates the amount of a grant or benefit, such as a letter from the Social Security Administration stating the amount of the social security benefit, a bank statement, a court order, or other document or data base report that establishes the amount of unearned income.
- If a family receives or pays child support, the eligibility agency shall verify the amount of support received or paid by the family by documents from the Department of Public Welfare.

Acceptable forms of documentation maintained on file include, but are not limited to:

- Paystubs- a minimum of one if the year to date salary is included, if no year to date, 3 paystubs should be maintained
 - Income is determined by calculating the weekly or monthly income and multiplying it by the appropriate multiplier, 52 for weekly, 26 for bi-weekly, 12 for monthly
 - If the paystub income varies, calculate the average rate and multiply by # of stubs used/# the multiplier (see above). EXAMPLE: 3 stubs equaling \$900.00, 1200.00 and 950.00 if the average rate is \$1016/week * 52 weeks the annual salary is \$ 52,832.00 Assuming this is a family of 3 or more, the child is eligible
- W-2’s- a copy of all family members W-2 should be maintained. Income is typically counted from box #1 on the W-2s
 - Family is identified as the parent/guardian responsible for the child
 - If the parents are living with grandparents, the grandparent’s income would not be taken into consideration unless they are the guardian
- Tax forms- a copy of the current or prior year’s form
- Employer Verification- A letter provided by the employer, including employer contact information, verifying wages and number of hours worked

- TANF- Cash assistance TANF award documentation
- CCIS Eligibility Detail Page
- Food Stamps Case number
- Family Letter indicating No Income
- Disability documentation
- Unemployment documentation

Note: COMPASS may be used to verify eligibility if the system indicates the family receives TANF or Food Stamps. No other information provided on COMPASS is acceptable for income verification. Pre-K Counts Providers are still required to collect the family size and income for data entry in PELICAN..

Family Size

The number of people in the house to be counted for the purposes of reporting “family size” include the child or children for whom PA Pre-K Counts is being requested and the following individuals who live with that child or children in the same household:

- Parent of the child. The parent is the biological or adoptive mother or father, stepmother or father, caretaker and spouse who exercise care and control over the child requesting PA Pre-K Counts.
- A biological, adoptive, unrelated or foster child or stepchild of the parent or caretaker who is under 18 years of age and not emancipated.
- A child who is 18 years of age or older but under 22 years of age who is enrolled in high school, a general educational development program, or a post-secondary program leading to a degree, diploma or certificate and who is wholly or partially dependent on the income of the parent or caretaker or spouse of the parent or caretaker.
- Foster children should be entered as a family size of 1.