

Oklahoma Employment Security Commission



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Oklahoma Employment and Training Issuance # 02-2005

TO: Senior Community Service Employment Program Grantees

FROM: Mike Ferguson

DATE: January 12, 2005

SUBJECT: Senior Community Service Employment Program (SCSEP) Eligibility

PURPOSE: To announce policy changes made by the Department of Labor in response to recommendations made by grantees and to clarify the provisions that remain in effect.

MESSAGE: The Department of Labor (DOL) reserved \$641,507 of the SCSEP Proposed Rule, relating to the types of income that are included and excluded for participant eligibility determinations, in the SCSEP Proposed Rule. Absent comment from the public on this issue, DOL decided to use CPS as the standard and has issued Training and Employment Guidance Letter [\(TEGL\) 13-04](#) to update Older Worker Bulletin 04-05. A summary of revisions and clarifications follow, along with Attachments I and II to the TEGL. These changes are immediately effective.

1. Policy Revision: The three key policy changes are:

- The definition of family now conforms to the WIA definition of family (attach I) unless the applicant is claimed as a dependent on the Federal Income Tax return of another family member. In the latter case, the Current Populations Survey (CPS) definition of family will apply.
- Applicants 65 years of age or older, only Social Security income minus Medicare deductions will be included for income eligibility determination.
- The look-back period for income eligibility determination will now be the six-month period prior to applications, annualized.

2. Clarification of Procedures:

Program Eligibility: Eligibility is limited to low-income persons who are 55 years or older and unemployed at the time of applications as provided at sections 502(a) (1) of the 2000 Amendments.

Includable Income: The CPS official definition of “INCOME” will govern the determination of SCSEP applicant eligibility. The CPS income sources that apply are as follows:

- Earnings
- Unemployment Compensation
- Social Security, including Social Security Disability Insurance
- Veterans’ payments
- Survivor benefits
- Pension or retirement income
- Interest
- Dividends
- Rents, royalties, and estates and trusts
- Educational assistance
- Alimony
- Financial assistance from outside of the household
- Other Incomes

DOL has decided to exclude, for purposes of eligibility determinations, certain income sources that the CPS official definition of “Income” includes. DOL based this decision in recognition of the fact that certain of these income sources rise out of some state of dependency or to encourage individuals drawing benefits to return to work.

Excluded Income

- Supplementary Security Income
- Public assistance including income from other employment and training programs
- Disability benefits, except SSDI
- All Forms of Child Support
- Workers’ Compensation
- The first \$2,000 of certain per capita fund distributions that are made to Indians pursuant to the Indian Claims Act, P.L. 93-134 and P.L. 97-458.
- Any other income exception required by applicable Federal Law.

DOL will also exclude, for purposes of SCSEP applicant eligibility, the same income sources that the CPS does not count in its official definition of income:

- Capital gains people received (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person engaged in the business of selling such property, in which case the CPS counts the net proceeds as income from Self-Employment).
- Withdrawals of bank deposits
- Money borrowed
- Tax refunds
- Gifts
- Lump-sum inheritances, insurance payments, gambling and lottery earnings

CPS Definitions and Explanations for all of the above-cited income Inclusions and Exclusions are detailed in Attach I. Procedures for computing annual family income to determine income eligibility for SCSEP are detailed in Attachment II.

3. **ACTION:** SCSEP Grantees are to advise all staff who make Income Eligibility determinations about these policy changes and clarifications. SCSEP grantees must also identify new strategies they will utilize to recruit applicants who can meet the new income eligibility determination criteria.

4. **INQUIRIES:** If you have any questions regarding this information, please contact Crystal Anglin at 405-557-5328 or crystal.anglin@oesc.state.ok.us.

5. **Attachments:**

Attachment I, CPS Income Definitions and Explanations

Attachment II, Procedures for Computing Annual Family Income to Determine Income Eligibility for SCSEP

**Current Population Survey (SPC)-Definitions and Explanations
Income, official explanation of:**

(A) Earnings. The Census Bureau classifies earnings from longest job (or self-employment) and other employment earnings into three types:

1. Money wage or salary is the total income people receive for work performed as an employee during the income year. This category includes wages, salary, armed forces pay, commissions, tips, piece-rate payments, and cash bonuses earned, before deductions are made for items such as taxes, bonds, pensions, and union dues.

2. Net income from non-farm self-employment is the net money income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include items such as costs of goods purchased, rent, heat, power, depreciation charges, wages and salaries paid, and business taxes (not personal income taxes). In general, the Census Bureau considers inventory changes in determining net income from non-farm self-employment; replies based on income tax returns or other official records do reflect inventory changes. However, when respondents do not report values of inventory changes, interviewers will accept net income figures exclusive of inventory changes. The Census Bureau does not include the value of saleable merchandise consumed by the proprietors of retail stores as part of net income.

3. Net income from farm self-employment is the net money income (gross receipts minus operating expenses) from the operation of a farm by a person on their own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, payments from government farm programs, money received from the rental of farm equipment to others, rent received from farm property if payment is made based on a percent of crops produced, and incidental receipts from the sale of items such as wood, sand, and gravel. Operating expenses include items such as cost of feed, fertilizer, seed, and other farming supplies; cash wages paid to farmhands; depreciation charges; cash rent; interest on farm mortgages; farm building repairs; and farm taxes (not state and federal personal income taxes). The Census Bureau does not include the value of fuel, food, or other farm products used for family living as part of net income. In determining farm self-employment income, the Census Bureau considers inventory changes in determining net income only when they are accounted for in replies based on income tax returns or other official records which reflect inventory changes; otherwise, the Census Bureau does not take inventory changes into account.

(B) Unemployment compensation. Payments the respondent received from government unemployment agencies or private companies during periods of unemployment and any strike benefits the respondent received from union funds.

(C) Worker's compensation. Payments people receive periodically from public or private insurance companies for injuries received at work. **(Excluded for purposes of SCSEP income eligibility determinations.)**

(D) Social security. Includes social security pensions and survivor's benefits and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance. The Census Bureau does not include Medicare reimbursements for health services as social security benefits. **(Only Social Security income after Medicare deductions is included for persons 65 years of age or older.)**

(E) Supplemental security income. Federal, state, and local welfare agency payments to low-income people who are 65 years old and over or people of any age who are blind or disabled. **(Excluded for purposes of SCSEP income eligibility determinations.)**

(F) Public assistance or welfare payments. Any cash public assistance payments that low-income people receive. Examples include, but are not limited to, Temporary Assistance to Needy Families (TANF), general assistance, and emergency assistance. The Department of Labor expands this interpretation to include income from other employment and training programs for low-income individuals, including SCSEP wages. **(Excluded for purposes of SCSEP income eligibility determinations.)**

(G) Veterans' payments. Payments disabled members of the armed forces or survivors of deceased veterans receive periodically from the Department of Veterans Affairs for education and on-the-job training, and means-tested assistance to veterans.

(H) Survivor Benefits. Payments people receive from survivors' or widows' pensions, estates, trusts, annuities, or any other types of survivor benefits. Respondents can report payments from ten different sources; private companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; workers' compensation; Black lung payments; estate and trusts; annuities or paid-up insurance policies; and other survivor payments.

(I) Disability payments. Payments people receive as a result of a health problem or disability (other than those from Social Security Disability Insurance). Respondents can report payments from ten sources: workers' compensation; companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; accident or disability insurance; Black lung payments; state temporary sickness; or other disability payments. **(Excluded for purposes of SCSEP income eligibility determinations.)**

(J) Pension or retirement income. Payments people receive from eight sources: companies or unions; federal government (Civil Service); military; state or local governments; railroad retirement; annuities or paid-up insurance policies; individual retirement accounts (IRAs); Keogh; or 401(k) payments; or other retirement income.

(K) Interest income. Payments people receive (or have credited to accounts) from bonds, treasury notes, IRAs, certificates of deposit, interest-bearing savings and checking accounts, and all other investments that pay interest.

(L) Dividends. Income people receive from stock holdings and mutual fund shares. The CPS does not include capital gains from the sale of stock holdings as income.

(M) Rents, royalties, and estates and trusts. Net income people receive from the rental of a house, store, or other property, receipts from boarders or lodgers, net royalty income, and periodic payments from estate or trust funds.

(N) Educational assistance. Pell grants; other government educational assistance; any scholarships or grants; or financial assistance students receive from employers, friends, or relatives not residing in the students' household.

(O) Alimony. All periodic payments people receive from ex-spouses. Alimony excludes one-time property settlements.

(P) Child support. All periodic payments a parent receives for the support of children, even if these payments are made through a state, local or federal government office. The Department of Labor expands this definition to include any support for the care of a dependent child who is under 18 years of age. **(Excluded for purposes of SCSEP income eligibility determinations.)**

(Q) Financial assistance from outside of the household. Periodic payments people receive from non-household members. This type of assistance excludes gifts or sporadic assistance.

(R) Other income. All other payments people receive regularly that are not included elsewhere on the questionnaire. Some examples are state programs such as military family allotments, and income received from foreign government pensions.

(S) Government transfers. Payments people receive from the following sources: (1) unemployment compensation, (2) state workers' compensation, (3) social security, (4) Supplemental Security Income (SSI), (5) public assistance, (6) veterans' benefits (7) government survivor benefits, (8) government disability benefits (9) government pensions, and (10) government educational assistance. **(Excluded or included, as applicable, for purposes of SCSEP income eligibility determinations.)**

PROCEDURES FOR COMPUTING ANNUAL FAMILY INCOME FOR SCSEP

1. Computation. Annual family income must be determined by computing the annualized includable income for the 6 months preceding application or certification for continued enrollment.

Annual family income for current family members refers to the sum of the amounts received from the income inclusions delineated in Attachment I.

2. Standard Definition of Family and Family Income.
 - A family is defined as:
 - A husband, wife and dependent children; or
 - A parent or guardian and dependent children; or
 - A husband and wife
 - A person with a disability who may be treated as a “family of one” for income eligibility determination purposes as currently provided at §641.500 of the SCSEP regulations
3. Exception to Standard Definition.
 - When the applicant is claimed as a dependent on the Federal income tax return of another family member with whom they reside, the CPS definition of family must apply.
4. CPS Definition of Family.
 - The family is defined by the CPS as:
 - A family is a group of two people or more related by birth, marriage, or adoption and residing together, all such people (including related subfamily members) are considered as members of one family.
 - As in the standard definition above, a person with a disability may be treated as a “family of one” for income eligibility determination purposes.
5. CPS Definition of Subfamily.
 - **Subfamily.** A subfamily is a married couple with or without children, or a single parent with one or more of their own never-married children under **18** years old. A subfamily does not maintain their own household, but lives in the home of someone else.
 - **Related subfamily.** A related subfamily is a married couple with or without children, or one parent with one or more of their never-married children under 18 years old, living in a household and related to, but not including, the person or couple who maintains the household. One example of a related subfamily is a young married couple sharing the home of the husband’s or wife’s parents.
 - **Unrelated subfamily.** An unrelated subfamily (formerly called a secondary family) is a married couple with or without children, or a single parent with one or more of their own never-married children, or a single parent with one or more of their own never-married children under 18 years old living in a household. Unrelated subfamily members are not related to the householder. An unrelated subfamily may include people such as guests, partners, roommates, or resident employees and their spouse and/or children. An unrelated subfamily is NOT included in the determination of income eligibility for SCSEP.

6. Annual Family Income. Annual family income for current family members refers to the sum of the amounts received from the income inclusions delineated in Attachment I.
7. Documentation. Grantees must ask applicants and enrolled participants for written documentation of age, income sources and family size when conducting income eligibility or re-certification procedures—e.g., driver’s licenses, Social Security or Medicare cards, pay stubs, income tax returns, and like “official” documentation. Further, the record of such documents must be jointly signed by both the individual applicant or participant and the grantee interviewer. Tax return documentation is particularly critical in instances in which the applicant indicates that he is claimed as a dependent on the income tax return of another family member with whom they reside. Grantees are required to maintain copies of the source information.

In remote locations where such proof may not be readily copied, grantees must set up a file of the source document reviewed with applicants and enrolled participants relating to the verification of income eligibility. Such documentation must include the name of the reviewer, the date the information was reviewed, the name of the source documentation, the date of the source documentation and other pertinent information, including the signature of the reviewer and the applicant/participant. To be able to be considered a family of one under the disability provision, appropriate medical documentation must be provided and filed, even in remote locations. Self-certifications are not permitted.

8. Re-certification. Grantees must re-certify participant eligibility at least once every 12 months. DOL strongly urges grantees to do so in February and March since the Federal Income Guidelines are published in February.

For PY 2004 only, participants who are subject to re-certification of income eligibility will be assessed consistent with the prior procedures delineated in Older Worker Bulletin 95-5. Beginning in PY 2005, income eligibility determinations for continued program participation will be assessed by the criteria delineated herein.