
POLICY TRANSMITTAL NO. 07-43	DATE: AUGUST 6, 2007
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF LEGISLATIVE RELATIONS AND POLICY

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:40-7-13.

EXPLANATION: OAC 340:40-7-13 Instructions to Staff are revised to clarify when actual income is used and when to anticipate income. This change has been made in conjunction with a food stamp rule change.

Original signed on 8-3-07

Mary Stalnaker, Director
Family Support Services Division

Sharon Neuwald, Coordinator
Office of Legislative Relations and Policy

WF # 07-Q (NAP)

INSTRUCTIONS FOR FILING MANUAL MATERIAL

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following an "OKDHS" number, such as personnel policy at OKDHS:2-1 and personnel rules at OAC 340:2-1. The "340" is the Title number that designates OKDHS as the rulemaking agency; the "2" specifies the Chapter number; and the "1" specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, OKDHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, OKDHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at 405-521-4326.

REMOVE

340:40-7-13

INSERT

340:40-7-13, pages 1-4, revised 7-1-07

340:40-7-13. Computation of income

Revised 6-1-07

(a) Any income that is received regularly but in amounts that vary, or income received irregularly, is averaged over a minimum of 30 days unless the client has received less than 30 days of representative income. ■ 1 This includes overtime pay, irregular child support, and other occasional increases or decreases in the monthly gross income. When income is received more often than once per month, the income is converted to a monthly amount. ■ 2

(b) Income of the applicant or recipient is verified by the best available information. ■ 3 With new employment, the worker verifies the beginning date, date the first full paycheck is expected to be received, hourly rate, and anticipated number of hours per week. ■ 4

(c) All earned and unearned income is added together to arrive at the gross income for the household.

(d) Once gross income is computed, the only allowable deduction from gross income is for the amount of any verified legally-binding child support payments paid by a household member to or for a non-household member, including child support and child care support payments made to a third party on behalf of the non-household member. ■ 5

(e) The worker uses Oklahoma Department of Human Services (OKDHS) Appendix C-4, Child Care Eligibility/Rates Schedule to determine whether the household meets income guidelines. See OAC 340:40-5-1(8).

INSTRUCTIONS TO STAFF 340:40-7-13

Revised 7-1-07

1. (a) If ongoing income fluctuates to the extent that a 30 day period alone cannot provide an accurate indication of anticipated income, a longer period of past income may be requested and used to determine representative income.

(b) When the worker is computing income in the same case for multiple programs and the programs compute income differently, it is sometimes necessary to use the "total diverted" field E47 in the Social Services section to ensure income is correctly computed for child care. This field is most often used for the initial month of certification when other programs count

anticipated income before the applicant receives a full paycheck. The worker takes care in this instance to remove income from the divert field effective the month the income is countable per child care policy.

2. (a) Food Stamp Penalty Income is not considered for child care computation.

(b) In instances where the amounts to be converted differ, such as fluctuating daily, weekly, or biweekly amounts, the worker obtains an average and the average is multiplied by 4.3, 2, or 2.15, whichever is applicable. The method used to convert income to a monthly amount is income received:

(1) on a daily basis:

(A) when there is a consistency in days worked each week and there is a regularity of pay dates, is converted to a weekly amount then multiplied by 4.3; or

(B) when income is received at irregular intervals and there is no consistency in the work offered or when pay is received, it is appropriate to average all income received in a calendar month rather than converting to a weekly amount;

(2) weekly is multiplied by 4.3;

(3) twice a month is multiplied by 2; or

(4) every two weeks is multiplied by 2.15.

(c) The worker carries cents through all steps and then rounds to the nearest dollar when arriving at the monthly amount. The worker rounds one cent through 49 cents down and 50 cents through 99 cents up. The worker records income in the Family Assistance/Client Services (FACS) Interview Notebook under the Income tab.

3. (a) For new applications, when some but not all income for the month has been received and verified, the worker uses any full representative paychecks to anticipate income for the certification month and future months.

(b) Actual income is used for the certification month only when:

(1) all income for the month has been received and verified unless:

- (A) the income is ongoing with at least 30 days of verified income; and**
- (B) the month of certification is a month when the person receives an extra check due to weekly or bi-weekly pay. The worker anticipates income in these instances by converting to a monthly amount. Examples of when not to use actual income are when the person is paid:**
- (i) every two weeks and receives three checks in the month of certification from ongoing employment; or**
- (ii) weekly and receives five checks in the month of certification from ongoing employment; or**
- (2) the income is terminated. Terminated income is counted only in the month received.**
- (c) See OAC 340:40-7-10(c) for information regarding when to start counting income from a new source.**
- (d) If the applicant has received at least 30 days of income but income records are not available, use whatever records are available that best establish the amount of income expected for future months. Actual income must be verified and recomputed within 90 calendar days. The worker enters this income information in the FACS Interview Notebook under the Income tab and documents in Case Notes why the records were not available.**
- (e) If the client's ongoing income has changed and the last 30 days of income are not indicative of future earnings, the worker uses the best available information and documents his or her reasoning in FACS Case Notes. Actual income must be verified and recomputed within 90 days. For earned income, pay stubs are used for verification only if the client's name or Social Security number, date(s) of the pay period, and amount of income before deductions are shown on the pay stub. When this information is not shown on the pay stub, or pay stubs are not available, employer verification is required.**
- (f) When computing on-going income using paycheck stubs, the steps in (1) through (5) of this Instruction help ensure more accurate earned income calculation.**

- (1) The client must provide the most recent 30 days of paycheck stubs from**

the date of the face-to-face interview including any pay stub received on the date of the interview.

(2) Paycheck stubs provided must be consecutive. Using a calendar to identify the pay dates, ensures there are no missing pay stubs.

(3) Gross amounts of income must be used in the calculation process.

(4) If hours worked fluctuate from each pay period, the worker discusses with the client the reason for varying hours, such as the employee missed work due to illness or hours fluctuate due to the amount of work performed. The worker documents this discussion in Case Notes.

(5) The worker only uses those paycheck stubs that the worker determines are representative of future earnings for future months. If the worker excludes any paycheck stubs, he or she documents in the case record or in Case Notes the reason they were excluded.

4. Income from a new source is never used in calculating the family share co-payment until after income is received. See OAC 340:40-7-10 for general provisions regarding income. When the client has not received a full paycheck from new employment, it is appropriate to use an employer's statement or Form 08AD094E, Employment Verification, that the employer has completed. When the worker is projecting income using only an employer's statement, the income is converted using either 2.15, 2, or 4.3 calculation method.
5. Child support is defined as any money court ordered and designated to be paid for the support of a child. This may include, but is not limited to, child support, child support arrearages, medical insurance or other health care premiums, child care obligations, or other obligations specified in individual court or administrative orders. Money owed to a state for benefits provided for a child including, but not limited to, TANF, Medicaid, and foster care is also considered as child support. Before allowing a child support deduction, the worker obtains proof of the amount ordered and the actual support payments being made each month. The worker enters the amount of child support paid to or for a non-household member in the Social Services tab of the FACS Eligibility Notebook in the "child support deduction" field (E46).