

**Texas Department of Housing and Community Affairs**  
**Income Questions & Answers**  
**Applicable for Community Affairs Programs**  
*(Updated August 2023)*

The Texas Department of Housing and Community Affairs (The Department) has created the following document to assist its Subrecipients to answer applicable program questions. The document contains answers to the questions the Department has received that are relevant to the network. In addition to this document, Subrecipients are encouraged to take the following steps to respond to their questions:

1. Review your applicable program contract(s)
2. Reference applicable TAC Rules
3. Reference other applicable program rules/guidelines (OMBs, CFRs, TXGMS, WAPTAC, etc.)
4. Review Department guidance on TDHCA Website

If after reading and referencing all these materials you still have questions, you may submit a program question by completing this form: <https://tdhca.wufoo.com/forms/request-for-ca-program-assistance/>

You may click on the hyperlinks below to move to the most appropriate category that applies to your question.

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## **A. GENERAL:**

**1. What are the new income guideline limits for our programs?**

Subrecipients should always use the most current income limits posted on the Department's website, on the program guidance pages for each program, with the effective date.

**2. How is "current circumstances" being defined?**

In the context of §6.4(g)(1), "current circumstances" means within the last 30 days.

**3. When are the income guidelines updated?**

Income guidelines are updated annually in mid-January at the federal level. Once the new guidelines are available, the Department will update program guidance pages and alert the network.

## **B. DECLARATION OF INCOME:**

**1. Is the DIS still required to be notarized?**

Notarization is required for DOE WAP only. Notarization of the DIS is not required for LIHEAP, CEAP, LIHWAP, or CSBG.

**2. Can the applicant fill out the DIS and sign for all members of the household? What if the client receives no income? What form do we use to verify "no income?"**

The applicant may complete the DIS for all household members 18 years of age or older. The DIS should be used for those who have no obtainable income documentation or zero income. Subrecipient should utilize the DIS instructions to complete the form.

**3. Do DIS forms need to be originals?**

No, an electronic copy is acceptable, as long as completely filled out.

## **C. INCOME DETERMINATION PROCESS:**

**1. Is income counted from date of application or prior to?**

Per TAC Rule §6.4(e), the Subrecipient should "annualize the Household income based on verifiable documentation of income, within 30 days of the application date." This means from the date of application.

**2. We understand that Medicare insurance deduction is considered excluded income, however, we are uncertain if a Medicare prescription drug plan deduction is also considered excluded income?**

Yes, the Medicare prescription drug plan deduction is also excluded. Per TAC Rule §6.4(d)(16), Medicare deduction from Social Security Administration benefits should not be counted as income.

**3. Based on the excluded list, it appears that we should use the net amount of social security (after Medicare deduction) and not the gross amount (prior to Medicare deduction), is that correct?**

Although that may be the end result in many instances, income is based on gross income. If the gross amount is \$500 and the Medicare deduction is \$50, the income for this specific situation would be \$450. There may be other amounts that are deducted from the client's social security check that are not excluded income.

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- 4. What do we do with people that don't work regular 20, 30, or 40 hour weeks? They work as needed: maybe 10 hours one week and 40 hours the next.**

Refer to TAC §6.4, utilize the Department [Income Calculator](#), and refer to Income Calculator [training video](#) for further guidance.

- 5. How do we calculate income that is not expected to last a full 12 months?**

Per TAC Rule §6.4(g)(1) "income that may not last for a full 12 months should be calculated assuming current circumstances will last a full 12 months, unless it can be documented that employment is less than 12 months/year and pay is not prorated over the entire 12 month period." A simple calculation can be used to estimate the number of pay periods in a span of less than 12 months.  $M \times P \div 12$  where M = number of months and P = number of pay periods in 12 months.

- 6. In §6.4(g)(3)(A) regarding 2080hrs for full time, you mention no overtime. Does that statement mean that we should exclude all overtime wages from our calculations?**

No. TAC §6.4 does not exclude overtime payments and therefore those wages must be included in the annualized calculation.

- 7. What process do you suggest we use for self-employed?**

Per TAC Rule §6.4(c)(1) "non-farm or farm self-employment net receipts must be used (ie receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses). Self-employed applicants may present different documentation, but the same process applies.

## **D. INCOME or NOT INCOME:**

- 1. Someone in the households receives \$100 from a relative for their birthday. Is this considered income?**

No, it is a birthday gift and therefore not considered income. One-time gifts are excluded per TAC §6.4(d)(9).

- 2. A family member (not residing in the household) gives the household money each month to be used for rent or living expenses. Is this considered income?**

Yes, if it is a recurring payment of cash to the household. The relationship of the parties does not matter. Reoccurring/ongoing cash payments are included.

- 3. A family member (not residing in the household) pays directly to the bank or landlord for mortgage/rent, directly to the utility company for utilities, etc. Is the amount paid considered income?**

No, because it is not a direct payment to the household.

- 4. Parent of a child(ren) in the household (this parent does not reside in household) provides "X" amount for living expenses on a monthly basis, via verbal agreement. Is this considered income?**

It depends. If the payments are official child support, the payments would not count as income per TAC §6.4(d)(19). If the payments are a recurring payment of cash to the household and not considered official child support, the relationship does not matter and the income would be counted.

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**5. Is child support or Foster support excluded income?**

Yes, child support payments, as well as payments for care of Foster Children, are excluded income. Reference TAC §6.4(d)(19) for child support and §6.4(d)(25) for Foster Children.

**6. Payment of per diem is reflected on check stub(s) or provided via separate means. Is this considered income?**

Per diem is a payment made for expenses such as travel, lodging and food, and is not taxable income. Per TAC Rule §6.4(d)(12), reimbursements (for mileage, gas, lodging, meals, etc.) are excluded income.

**7. An applicant receives rent from a boarder in the home; they rent just a room and pay the applicant for that space. Do we just count the rent payment as income for the applicant, or do we require the boarder/renter's income to count towards household income for determining eligibility?**

Per TAC §6.2(b)(33), by the definition of "household", the income would be included, unless the renter has a separate lease and separate bill for utilities.

**8. Do we include children social security benefits if they are received from deceased or disabled parents? If an adult receives SS disability check and their child also receives a check but the check is made out to the adult, do you count the child's check? If a child under 18 is disabled and receives SSI, would we include this income?**

All income of Household members under eighteen is excluded, including income made payable to an adult on behalf of a minor child.

**9. If a client has a representative payee who receives the clients check, do we count it as income for the client? Some of our clients may be high functioning MHMR who have a rep payee. They do not ever receive the check, just what the payee allows them to have. How do we count this?**

Dependent on the age of the client. All income of Household members under eighteen is excluded, including income made payable to an adult on behalf of a minor child. If the client is eighteen or older, it is included income, it is understood that the client is receiving the benefit, indirectly at a minimum.

## **E. CATEGORICAL ELIGIBILITY:**

Please review the [Eligibility Determination Tool](#) on the [Department Program Guidance webpages](#). This document breaks down categorical eligibility per program. If you still have questions after reviewing that document, please submit a question through Wufoo.

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## **F. MEANS TESTED VETERANS PROGRAMS:**

### **1. What are Means Tested Veterans Programs? What VA benefits are categorically eligible and how do we determine which are and which are not?**

Means Tested Veterans Programs—a program whereby applicants who meet certain Veterans Affairs requirements, including but not limited to income and net worth limits set by Congress, receive payments from the U.S. Department of Veterans Affairs.

The most common regular monthly VA benefits are for service-connected disabilities (disabilities that are actually connected to someone’s military service). ***Service-connected disabilities are NOT categorically eligible.*** These will be the most common award letters for veterans’ benefits that you see and are included income.

Common Means-Tested Veterans Programs that are Categorically Eligible are associated with a “Non-service connected death or disability.” The following **ARE categorically eligible**:

- VA Pension is a needs-based benefit program for wartime Veterans, who are age 65 or older or have a permanent and total **non-service connected** disability, and who have limited income and net worth.
- Survivors Pension Benefit, which was formerly referred to as Death Pension, is a tax-free benefit payable to a low-income, un-remarried surviving spouse or unmarried child(ren) of a deceased Veteran with wartime service.

Applicants may present other means-tested VA Benefit letters that are **NOT categorically eligible**, such as:

- Disability Compensation is a benefit paid to Veterans because of injuries or disease that happened during active duty.
- Dependency and Indemnity Compensation (DIC) is a monthly benefit. It is paid to eligible survivors of:
  - Service members who died while on active duty, active duty for training or inactive duty training, OR
  - Veterans who died as a result of a service-connected injury or disease, OR
  - Veterans who did not die as a result of a service-connected injury or disease, but were totally disabled by a service-connected disability:
    - For at least 10 years before death, OR
    - Since their release from active duty and for at least five years before death, OR
    - For at least one year before death, if they were a former prisoner of war and died after Sept. 30, 1999.