

## **10A NCAC 10 .1002 INCOME ELIGIBLE STATUS**

(a) For the purpose of this Rule, the term "income unit" means persons who reside in the same household and who are responsible for the financial support of the individual whose eligibility for child care services is being determined.

(b) For the purposes of the rules in this Chapter, "income unit size" means the number of individuals in the income unit, and "gross income of the income unit" means the total amount of the income used to determine child care eligibility.

(c) If an individual meets any of the criteria set forth in 10A NCAC 10 .0905 or .0907, the Local Purchasing Agency shall determine:

- (1) the number of persons in the individual's income unit through the eligibility application in NC FAST or through the eligibility interview process; and
- (2) the amount of gross income available to the income unit in accordance with 10A NCAC 10 .1006.

(d) Individuals who meet any of the criteria set forth in 10A NCAC 10 .0905 or .0907 shall be eligible to receive Subsidized Child Care Services, provided that:

- (1) for initial eligibility and annual redeterminations, the gross income of the income unit:
  - (A) for children ages 0 to 5 years old shall not exceed the state's maximum income eligibility limit of 200 percent of the federal poverty line, as set forth in 42 USC 9902(2) and 82 FR 8831, for the number of persons in that income unit;
  - (B) for children ages 6 to 12 years old shall not exceed the state's maximum income eligibility limit of 133 percent of the federal poverty line, as set forth in 42 USC 9902(2) and 82 FR 8831, for the number of persons in that income unit; or
  - (C) for any child with special needs as defined 10A NCAC 10 .0910 shall not exceed the state's maximum income eligibility limit of 200 percent of the federal poverty line, as set forth in 42 USC 9902(2) and 82 FR 8831, for the number of persons in that income unit.

42 USC 9902(2) and 82 FR 8831 are incorporated by reference including subsequent amendments and editions and are available at no cost at <https://www.govinfo.gov/content/pkg/USCODE-2010-title42/pdf/USCODE-2010-title42-chap106-sec9902.pdf> and <https://www.govinfo.gov/content/pkg/FR-2017-01-31/pdf/2017-02076.pdf>.

- (2) for individuals whose income increases during the annual eligibility period, the maximum income eligibility limit for children of all ages and special needs status shall not exceed 85 percent of the state median income for that income unit size.

(e) The following individuals living in a residence shall be separate income units for the purposes of determining eligibility for child care services:

- (1) biological and adoptive parents and their minor children. A step-parent shall be included in the income unit with his or her spouse if the children in need of care include the step-parent and spouse's biological or adoptive children and step-siblings;
- (2) a minor parent and his or her children;
- (3) each person 18 years of age or older; and
- (4) each child living with anyone other than their biological or adoptive parents.

(f) Income to be considered when computing the gross income of the income unit shall include:

- (1) gross earned wages or salary, which are defined as earnings received for work performed as an employee, including wages, salary, commissions, tips, piece-rate payments, and cash bonuses earned, before any deductions such as for taxes, bonds, pensions, and union dues;
- (2) gross income from taxable self-employment income after deductions made for business expenses and any other expense that is deductible for purposes of federal or state tax returns;
- (3) Social Security benefits including Social Security pensions, survivors' benefits, and permanent disability insurance payments;
- (4) dividends, interest on savings or bonds, income from estates or trusts, royalties, and adjusted gross rental income on houses, stores, or other property;
- (5) pensions and annuities paid by an employer or union or through an insurance company;
- (6) workers' compensation;
- (7) unemployment insurance benefits;
- (8) alimony including direct and indirect payments such as rent and utility payments;
- (9) child support, direct or indirect, such as health care costs, school tuition, camps, lessons, and afterschool activities;
- (10) pensions paid to veterans or survivors of deceased veterans;

- (11) On-the-Job Training (OJT) payments;
  - (12) Job Training Partnership Act (JTPA) payments made to an adult;
  - (13) AmeriCorps stipend;
  - (14) the taxable amount of Armed Forces pay;
  - (15) work release payments;
  - (16) Cherokee Tribal Per Capita Income paid to adult family members;
  - (17) work-study payments, if the income is from a program not administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs; and
  - (18) recurring cash contributions paid to the parent, such as severance pay or child support not paid pursuant to a written agreement or court-ordered arrangement.
- (g) The following sources of income shall not be counted when computing the gross income of the income unit:
- (1) Work First Family Assistance;
  - (2) Supplemental Security Income (SSI);
  - (3) non-recurring lump sum payments such as Social Security benefits, workers' compensation, alimony, veteran's benefits, and housing assistance paid to or on behalf of a family member by HUD;
  - (4) foster care assistance payments;
  - (5) Adoption Assistance payments;
  - (6) payments or trust funds from the Indian Claims Commission;
  - (7) payments from the Alaska Native Claims Settlement Act;
  - (8) income from sale of personal assets including stocks, bonds, house, car, and insurance;
  - (9) money borrowed;
  - (10) tax refunds, including Earned Income Tax Credits or Dependent Care Credits;
  - (11) gifts or contributions, including cash, monetary gifts, and charitable contributions given on a regular basis to meet the recipient's needs;
  - (12) non-cash contributions from non-legally responsible adults, such as food, clothing, furniture, or non-cash military benefits such as insurance;
  - (13) Emergency Assistance, Low Income Energy Assistance Program, Crisis Intervention Program, General Assistance, or CP&L Share Program payments;
  - (14) Section VIII housing subsidy;
  - (15) capital gains;
  - (16) the value of food stamp benefits allotted under the Food Stamp Act of 1977;
  - (17) free and reduced lunch program;
  - (18) food subsidy programs;
  - (19) Relocation or Acquisition Act payments;
  - (20) earnings of a dependent child under 18 years of age, unless the child is a minor parent of a child needing child care;
  - (21) loans, grants, scholarships, and money received to pay for job training;
  - (22) home produce utilized for household consumption;
  - (23) Volunteers in Service to America (VISTA) earnings;
  - (24) all subsidized housing and housing allotments, including military housing allotments. If rent is provided by an organization on a recurring basis, it shall be counted as income;
  - (25) money received from an employer as an employee benefit for child care; and
  - (26) work-study payments, if the income is from the College Work-Study Program administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs.

*History Note:* Authority G.S. 143B-153; 42 USC 9902; 45 CFR 98.20;  
 Eff. July 1, 1983;  
 Amended Eff. April 1, 2001; February 1, 1996; July 1, 1992; October 1, 1991;  
 Readopted Eff. March 1, 2019.