

**10A NCAC 45A .0203 ANNUAL NET FAMILY INCOME**

(a) Annual net family income shall be computed by subtracting the deductions allowed in Paragraph (d) of this Rule, from the gross family income as computed in Paragraph (c) of this Rule.

(b) The time period to be used as the basis for computing annual net family income is the 12-month period immediately preceding the date a patient or his representative makes application for eligibility to a particular payment program. However, if any of the family members were unemployed for at least 30 consecutive days during this 12-month period or are currently unemployed at the time the application is completed, that person's portion of the annual net family income shall be computed on the basis of income and deductions for the six month period immediately preceding the date of application plus a projection of income and deductions (excluding medical expenses) for the six month period immediately succeeding the date of application based upon the current employment or benefit situation. Medical expenses from the 12-month period immediately preceding the date of application may be deducted from income.

(c) Gross Family Income:

- (1) Gross family income shall mean the combined gross cash income received by the patient's family from the following sources:
  - (A) Salaries and wages;
  - (B) Earnings from self-employment;
  - (C) Investment income, stocks, bonds, savings account interest, rentals, and all other investment income;
  - (D) Periodic trust fund payments;
  - (E) Public assistance money;
  - (F) Unemployment compensation;
  - (G) Alimony and child support payments received;
  - (H) Military allotments;
  - (I) Social Security benefits;
  - (J) Veteran's Administration benefits;
  - (K) Retirement and pension payments;
  - (L) Worker's compensation;
  - (M) Educational stipends in excess of the cost of tuition and books;
  - (N) Allowances paid for basic living expenses such as housing and utilities;
  - (O) Supplemental security income benefits;
  - (P) All other sources of cash income except those specifically excluded.
- (2) Gross family income does not include:
  - (A) Irregular, incidental income that a child may earn from babysitting, lawn mowing, or other similar tasks;
  - (B) Proceeds from the sale of an asset;
  - (C) Withdrawals from a bank account;
  - (D) Gifts;
  - (E) Inheritances;
  - (F) Life insurance proceeds or other one time insurance settlements.

(d) Any of the following expenses which are paid or incurred by a member of the patient's family shall be allowed as deductions in determining annual net family income:

- (1) state, federal, and social security taxes owed on annual income (i.e. taxes withheld minus taxes refunded) and any deductions from pay required as a condition of employment such as mandatory retirement contributions;
- (2) work related expenses incurred by the individual which are required by the employer as a condition of employment, but excluding the purchase or lease of an automobile, transportation to and from work, personal clothing and cleaning costs, food expenses, and all other items not required to perform the duties of employment;
- (3) medical and dental expenses not covered by a third party payor, including the reasonable costs of transportation required to obtain the medical and dental services;
- (4) health insurance premiums;
- (5) child care expenses for any child 14 years of age and under and any handicapped child 15 years of age and over if both parents of a two parent family or a single parent work or are disabled or are out of the home attending school;

- (6) expenses for the care of any family member who is physically or mentally unable to take care of himself or herself while other family members are out of the home working or attending school;
- (7) child support and alimony payments paid to support someone outside of the family household; and
- (8) educational expenses incurred for the purpose of managing the disability of any member of the patient's family.

*History Note: Authority G.S. 130A-5(3); 130A-124; 130A-127; 130A-129; 130A-205; Eff. July 1, 1981; Amended Eff. March 1, 1989; May 1, 1987; April 1, 1982; Transferred and Recodified from 10 NCAC 4C .0203 Eff. April 4, 1990; Amended Eff. January 1, 1996; October 1, 1994; December 1, 1990; Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 13, 2015.*