

3.2.8 Disregarded Income

[3.2.8.1 Disregarded Income](#)

[3.2.8.2 Income with Limited Disregards](#)

All earned and unearned income of all the *W-2 Group* members is counted in determining the 115 percent gross income test (See [3.2.1](#)) with the exception of the income listed in this section. Income listed in this section is disregarded either in whole or under limited circumstances.

3.2.8.1 Disregarded Income

The agency must disregard the following income in determining the 115 percent gross income test:

1. **Child Support Income:** Regular collections of current child support, maintenance payments, family support (combination of child support and maintenance) or regular collections of child support arrears.
2. **Tax Refunds:** The agency must disregard as income the entire amount of any federal income tax refund in the month received. This includes federal tax refunds that result from federal over-withholding and from tax credits. Agencies must also disregard as income the portion of a state tax refund resulting from the [state EITC](#) in the month received. (See [3.3.4](#))
3. **Loans and JALs:** Any loan unless available for current living expenses. If available for current living expenses, loans must be counted as assets even if there is a repayment schedule. JALs must be disregarded.

Reverse Mortgage Loan Proceeds (1993 Wisconsin Act 88): Payments made to a borrower must be treated as proceeds from a loan and not as income. Undisbursed funds must be treated as equity in a borrower's residence and not as proceeds from a loan.

4. **W-2 Placements:** Payments from these placements: W-2 *TEMP (TMP, TNP), CMF+, TSP, CSJ, W-2 T, ARP, and CMC.*
5. **Jail or Prison Income:** Income earned while incarcerated from a jail or prison job. Note: this does not include income earned while participating in the Huber Program.
6. **In-Kind Income:** Any gain or benefit that is not in the form of money paid directly to the household such as, meals, clothing, housing, and garden produce.
7. **Vendor Payments:** *Vendor Payments*, such as rent paid by a community organization on the household's behalf.
8. **Kinship Care:** Kinship Care payment for the needs of a non-legally responsible relative child who is not included in the W-2 Group.
9. **Foster Care:** Foster Care payments for the needs of a foster child who is not included in the W-2 Group.
10. **Earned Income and SSI payments of a Dependent Child:** Income earned by a *Dependent Child* in a W-2 Group, and any SSI payments the dependent child receives.
11. **Federally Funded Benefits:** Any income or resources distributed under the following federal laws are disregarded:
 - a. **Agent Orange Settlement Fund:** Payments received from the Agent Orange Settlement Fund or any other fund established in settling "In Re Agent Orange product liability Settlement Fund litigation MDL No. 381 (EDNY)". Apply this

disregard retroactively to January 1, 1989, and continue to disregard as long as payments are identified separately.

- b. *Radiation Exposure Compensation Act*: Payments from any program under the Radiation Exposure Compensation Act (PL 101-426) paid to compensate injury or death resulting from exposure to radiation from nuclear testing (\$50,000) and uranium mining (\$100,000). Apply this disregard retroactively to October 15, 1990. Continue to disregard as long as payments are identified separately.
- c. *Nazi Persecution Victims*: Payments under PL 103-286 to victims of Nazi persecution.
- d. *Benefits for Children of Vietnam Veterans Who Are Born with Spina Bifida*: Payments under PL 104-204 paid to any child of a Vietnam veteran for any disability resulting from spina bifida.
- e. *Benefits for Children of Vietnam Veterans Born with Birth Defects other than Spina Bifida*: Payments received under PL 106-419 for children with birth related disabilities other than spina bifida who were born to women veterans that served in Vietnam during the period February 28, 1961 to May 7, 1975.
- f. *Crime Victims Fund*: Any amount of crime victims compensation received under section 1403 of the Victims Crime Act of 1984 (42 U.S.C. 10602). Benefits include, but are not limited to, those paid under the:
 - 1) Antiterrorism and Effective Death Penalty Act of 1996
 - 2) Crime Victims Compensation Program (Chapter 950, Wis. Stat.)
- g. *National Flood Insurance Program*: Payments under PL 109-64 provided for flood mitigation activities with respect to a property.
- h. *Medicare Prescription Drug, Improvement and Modernization Act*: Drug subsidies and drug discounts received as a benefit under this law.
- i. *Nutrition Program Benefits*:
 - 1) National School Lunch Act (PL 79-396)
 - 2) Food Stamp Act of 1977 (PL 88-525)
 - 3) Child Nutrition Act of 1966 (PL 89-642). This program includes *WIC*.
- j. *Tribal Settlements*:
 - 1) Indian Tribes; Sub-marginal Lands (PL 94-114)
 - 2) Disbursement of Minor's Share of Judgment Funds (PL 95-433)
 - 3) Lands Held in Trust for the Benefit and Use of the Pueblo of Santa Ana (PL 95-498)
 - 4) Lands Held in Trust for the Benefit and Use of the Pueblo of Zia (PL 95-499)
 - 5) Shoalwater Bay Indian Tribe, Dexter-by-the-Sea Claim Settlement Act (PL 98-432)
 - 6) Chippewas of Lake Superior (PL 99-146)
 - 7) Saginaw Chippewa Indian Tribe of Michigan Distribution of Judgment Funds (PL 99-346)
 - 8) Chippewas of the Mississippi (PL 99-377)
 - 9) Michigan Indian Land Claims Settlement Act (PL 105-143)
 - 10) Section 707, Title VII Miccosukee Settlement (PL 105-83)
 - 11) Mississippi Sioux Tribes Judgment Fund Distribution Act of 1998 (PL 105-387)
 - 12) Claims Resolution Act of 2010 (PL 111-291): All proceeds received from the Cobell v. Salazar Class Action Trust Case settlement under this act

must be disregarded as income in the month received and as a countable asset for one year from the date of receipt.

k. *Miscellaneous Federal Benefits:*

- 1) Housing Act of 1949 (PL 81-171)
- 2) Older Americans Act (PL 89-73), including Title V - Community Service Employment for Older Americans
- 3) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (PL 91-646)
- 4) Robert T. Stafford Disaster Relief and Emergency Act (PL 93-288)
- 5) Housing and Community Development Amendments of 1978 (PL 95-557); however, wages from the act may be counted as income.
- 6) Low Income Energy Assistance Act of 1981 (PL 97-35)
- 7) Old Age Assistance Claims Settlement Act (PL 98-500)
- 8) Workforce Innovation and Opportunity Act (PL 113-128)
- 9) State Department Refugee Resettlement Reception and Placement (R and P) grant cash income (45 CFR 400.66)
- 10) Pandemic Emergency Assistance Funds established by the American Rescue Plan Act of 2021 (Including the Living Independently through Financial Empowerment (LIFE) Program) (PL 117-2)
- 11) Payments from the Chafee Program for Successful Transition to Adulthood for youth who aged out of foster care.

12. Educational Aid: The following educational aid or resources are disregarded:

- a. *Scholarships for tuition and books:* Scholarships received for tuition and books, including scholarships from public or private organizations.
- b. *Student Financial Aid:* Any student financial aid received under any state program or federal program. This includes the following aid received under the Higher Education Act of 1965 (PL 89-329).
 - 1) Basic Educational Opportunity Grants (BEOG or PELL grants)
 - 2) Presidential Access Scholarships (Super PELL grants)
 - 3) Supplemental Educational Opportunity Grants (SEOG)
 - 4) State Student Incentives Grants (SSIG)
 - 5) Federal Direct Student Loan Program (Formerly GSL and FFELP)
 - a) Supplemental loans for students
 - b) Robert T. Stafford Student Loans
 - c) PLUS loans for parents
 - d) Federal Consolidated Loan Program
 - 6) Federal Work Study Funds
 - 7) TRIO Grants (disadvantaged youth grants)
 - a) Upward Bound
 - b) Student Support Services
 - c) Robert E. McNair Post-Baccalaureate Achievement
 - 8) Robert C. Byrd Honors Scholarship Program
 - 9) College Assistance Migrant Program (CAMP)
 - 10) High School Equivalency Program (HEP)
 - 11) National Early Intervention Scholarship and Partnership Program
 - 12) Montgomery GI Bill for Active Military, Reserve Military and Veterans
 - 13) Veteran's Education Assistance Program (VEAP)
 - 14) Carl Perkins Loans (formerly NDSL)
 - a) Indian Vocational Education Program

- b) Native Hawaiian Vocational Education Program
- c) State Vocational and Applied Technology Programs which include:
 - (1) State Program and State Leadership Activities
 - (2) Displaced Homemakers, Single Parent, and Single Pregnant
 - (3) Women programs
 - (4) Sex Equity Program
 - (5) Programs for Criminal Offenders
 - (6) Secondary School Vocational Education Program
 - (7) Postsecondary and Adult Vocational Education Program
 - (8) State Assistance for Vocational Education Support Programs by Community Based Organizations
 - (9) Consumer and Homemaking Education Program
 - (10) Comprehensive Career Guidance and Counseling Program
 - (11) Business-Labor-Education Partnership for Training Program
- d) National Tech-Prep Education Program
- e) State-administered Tech-Prep Education Program
- f) Supplementary State Grants for Facilities and Equipment and Other Program Improvement Activities
- g) Community Education Employment Centers Program
- h) Vocational Education Lighthouse Schools Program
- i) Tribally Controlled Post-secondary Vocational Institutions Program
- j) Vocational Education Research Program
- k) National Network for Curriculum Coordination in Vocational and Technical Education
- l) National Center or Centers for Research in Vocational Education
- m) Materials Development in Telecommunications Programs
- n) Demonstration Centers for the Training of Dislocated Workers Program
- o) Vocational Education Training and Study Grants Program
- p) Vocational Education Leadership Development Awards Program
- q) Vocational Educator Training Fellowships Program
- r) Internships for Gifted and Talented Vocational Education Students Program
- s) Business and Education Standards Program
- t) Blue Ribbon Vocational Education Program
- u) Educational Programs for Federal Correctional Institutions
- v) Vocational Education Dropout Prevention Program
- w) Model Programs of Regional Training for Skilled Trades
- x) Demonstration Projects for the Integration of Vocational and Academic Learning Program
- y) Cooperative Demonstration Programs
- z) Bilingual Vocational Training Program
- aa) Bilingual Vocational Instructor Training Program
- bb) Bilingual Materials, Methods, and Techniques Program

13. Gifts: The agency must disregard as income the entire amount of the gift. A gift is:

- a. Received unconditionally, without a purpose specified for the use of the money;

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- b. Not received due to legal obligation; and
- c. Not received as repayment for goods or services.