

Introduction

The Tennessee Department of Human Services shall consider the amount of income available to assistance unit members to meet the needs of the assistance unit in determining eligibility for Families First.

Scope

The purpose of this policy is to provide guidance in determining the amount of income available to the assistance unit.

Policy

1. All sources of income available to the assistance unit (AU) must be explored, and the gross countable income from all sources must be verified prior to approval, continuation, or renewal of benefits.
2. Any member of the AU who may be eligible for any other types of income, excluding Supplemental Security Income (SSI), must apply for and accept those benefits.
 - a. If the caretaker is a mandatory AU member and refuses to apply for or accept other benefits, the entire AU will be ineligible.
 - b. If the caretaker is an optional AU member and refuses to apply for or accept other benefits, the caretaker would not be eligible to be included in the AU.
 - c. Individuals who receive a Veteran's Administration pension and who were receiving the pension on or before December 1978 cannot be required to apply for and/or accept improved VA pension benefits.
3. Families First allows a two hundred and fifty dollar (\$250) flat work expense deduction from any earned income included in a case. Unearned income is not eligible for this deduction.
4. All income must be averaged and converted to monthly amounts using the following formulas:
 - a. Weekly income is multiplied by 4.3.
 - b. Bi-weekly income is multiplied by 2.15.
 - c. Semi-monthly income is multiplied by 2.
 - d. Monthly income is multiplied by 1.
 - e. Bi-monthly income is divided by 2.
 - f. Quarterly income is divided by 3.
 - g. Semi-annual income is divided by 6.
 - h. Annual income is divided by 12.
5. Gross income is tested against a Gross Income Standard (GIS) which is 185% of the Consolidated Need Standard (CNS) for the appropriate AU size, as listed on the [Family Assistance Standards Desk Guide](#).
 - a. If the gross income is greater than this standard by any amount, the AU is not eligible for Families First.
 - b. If the gross income is equal to or less than the GIS for the appropriate AU size, then net income is computed, and this amount is used to determine eligibility.
6. The AU is considered income eligible if there is a deficit of one dollar (\$1.00) or more between the CNS and net income.
7. All earned and unearned income, including self-employment, is countable, unless excluded as listed in [Income Excluded from Families First Determinations](#).

Income That Must be Considered

The following income sources must be considered in determining eligibility:

1. Income of parents in the AU.
 - Income of parents excluded because of a disqualification must also be counted.
2. Any unearned income that is received by a minor child in the AU.
 - This does not apply to earnings of a minor student that is not a caretaker of the AU.
3. Income of a non-parental caretaker relative only if they are included in the AU.
 - All of the income of the relative’s spouse must also be considered available to the AU when the non-parental caretaker relative is included and the spouse lives in the home.
4. Income belonging to certain individuals in the home whose income is deemed to be partially available to the AU:
 - a. A stepparent living in the home with stepchildren for whom assistance is requested.
 - b. A parent living in the home with a minor parent who has requested Families First in their own right for a child in their care.
 - c. A parent in the home who is excluded from the AU due to citizenship status.

Income That is Not to be Considered

The following income sources must not be considered in determining eligibility:

1. Supplemental Security Income

2. Earnings of a minor full-time student
 - This does not apply to minor parent caretakers.
3. Income designated or legally earmarked for a child but not actually received.
 - The money will not be counted in the AU, but the caretaker must apply to have the money made available to the child.
 - If the caretaker does not apply to make the money available to the child, the caretaker cannot be included in the AU, if the caretaker is a non-parental relative.
4. Income belonging to ineligible relatives other than parents/stepparents who are not in the AU but reside in the home.
5. Income belonging to individuals who are excluded from the AU for up to three (3) months as outlined in policy [23.16 Marriage During Receipt of Assistance](#).
 - At the end of the three (3) month exclusion, the income would need to be considered, unless otherwise excluded.
6. Income belonging to unrelated individuals living in the same home who are not in the AU.

Supporting Documents

[Income Excluded from Families First Determinations](#)

[Families First Income Eligibility Procedures 23.16 Marriage During Receipt of Assistance](#)

[Families First Budget Sheet](#)

Definitions/Acronyms

Term	Definition
AU	Assistance Unit
CNS	Consolidated Need Standard
Consolidated Need Standard	The amount of income an assistance unit would need to meet subsistence living costs, according to allowances set by the state, for items including food, clothing, fuel, lights, household operations, personal incidentals, and shelter. This amount determines the income level used to determine Families First financial eligibility.

Earned Income	Money derived from an individual's work efforts, such as wages, salaries, commissions, or as profits from a self-employment enterprise
Elementary School	A state approved educational institution comprised of grades K through eight (8).
GIS	Gross Income Standard
SSI	Supplemental Security Income
Secondary School	A secondary school is defined as a state approved educational institution offering a curriculum for grades nine through twelve. Note: A full-time student in a secondary school is defined as one who is taking an adequate grade level academic load to meet the graduation requirements for the respective school system in which he is enrolled. Generally, this is defined as 25 clock hours/week or 4 Carnegie units per year; half time is defined as 12 clock hours/week or 2 Carnegie units per year.
Student	A minor child attending elementary/secondary school, college, university, or a course of vocational or technical training. <ul style="list-style-type: none"> • A student retains student status during official school vacations and breaks if requirements prior to the vacation/break were met and if the student plans to return. • A child who is receiving elementary/secondary or equivalent vocational/technical instruction from a homebound teacher meets student requirements. • Participation in apprenticeships, correspondence courses, other courses of home study, and rehab programs other than academic or institutional vocational or technical training do not qualify a child as a student. • An equivalent level of vocational or technical training means equivalent to elementary or secondary education. It is not post-secondary education such as that leading to an Associate of Arts (A.A.) degree. • Full-time attendance in a trade, technical, or vocational school is considered to be 30 clock hours per week with shop practice or 25 hours a week without shop practice. A part-time student is defined as one who attends 15 clock hours per week with shop practice or 12 hours per week without shop practice.
TDHS	Tennessee Department of Human Services
Unearned Income	Any income which does not meet the definition of earned income
Unmet Need	The difference between the CNS and the AU's Net Countable Income including the Families First grant amount
VA	Veteran's Administration
Vendor Payment	Payments that are not paid directly to an AU but paid to a third party for the AU's expenses.

Supersedes

Families First Income Eligibility effective 02/15/2018.

Approval History

Approved By	Approver Title	Approved Date	Effective Date
Clarence H. Carter	Commissioner	01/10/2024	01/15/2024
Danielle Barnes	Commissioner	01/29/2018	02/15/2018

Revision History

Date	Version	Location of Change	Description/Reason for Change
01/10/2024	01/15/2024	Introduction, Policy, income that must be Considered, Income that is not to be Considered, and Definitions.	Updated language throughout.
01/29/2018	02/15/2018	New Document	Newly organized from multiple documents.

Approved By	<i>Clarence H. Carter</i>	Approval Date	01/10/2024
Authority	Tenn. Comp. R. & Regs. 1240-01-50	Effective Date	01/15/2024
Application	All TDHS Family Assistance Staff and Contractors		