

	INDIANA DEPARTMENT OF CHILD SERVICES CHILD WELFARE POLICY	
	Chapter 15: Eligibility	
	Section 07: Income Requirements for Title IV-E Initial Eligibility	
	Effective Date: February 1, 2022	Version: 4

- [Procedure](#)
- [Definitions](#)
- [Forms and Tools](#)
- [Related Policies](#)
- [Legal References](#)
- [Practice Guidance](#)

POLICY OVERVIEW

A family must meet defined income requirements in order to be eligible for Title IV-E Foster Care (Title IV-E) funding.

[Back to Top](#)

PROCEDURE

The Indiana Department of Child Services (DCS) will review the income available to a child's assistance group during the removal month to determine if the child is eligible for Title IV-E funding.

In order for a child to be eligible for Title IV-E funding, the child's assistance group must meet the Aid to Families with Dependent Children (AFDC) program income requirements in effect on July 16, 1996.

Note: A child placed with a parent residing in a licensed residential family-based treatment facility for substance abuse may be eligible for Title IV-E regardless of whether AFDC criteria are met.

The DCS Central Eligibility Unit (CEU) will:

1. Review the eligibility information in the case management system;

Note: The total income available to the assistance group includes the countable earned and unearned income based on the month it was received, not the month it was earned. The countable earned and unearned income must not exceed the income limits for the child's assistance group size. The total monthly income for all members of the assistance group is compared against the 185% and 100% standards of need. If the assistance group's income does not exceed either standard of need, the AFDC income requirement is met.

In addition to the individuals in the assistance group, a portion of the earned and unearned income of the following individuals may also be considered:

- a. Step-parent,
- b. Unqualified alien parent, and
- c. Senior parent (the parent of a minor parent).

2. Calculate the income available in the child's assistance group. See the CEU Eligibility

- Binder for examples of supporting documentation of the income criteria; and
3. Make an eligibility determination.

[Back to Top](#)

RELEVANT INFORMATION

Definitions

Earned Income

Earned income is income received through a person's work or efforts. Examples of countable earned income (the gross amount) include, but are not limited to, the following:

1. Wages, salaries, and tips;
2. Commissions;
3. Bonuses;
4. Sick pay;
5. Vacation pay;
6. Severance pay;
7. Rental income from property;
8. In-kind earnings (i.e., the dollar value of the work performed as established by the employer); and
9. Wages from self-employment (e.g., farming, babysitting, and house cleaning).

Unearned Income

Unearned income is any income received by or available to the assistance group that is not gained through the provision of labor or service. Examples of countable unearned income include, but are not limited to, the following:

1. Child support;
2. Disability benefits;
3. Retirement, Survivors, and Disability Insurance (RSDI) benefits;
4. Retirement benefits;
5. Pensions;
6. Veteran's benefits;
7. Unemployment insurance/benefits;
8. A portion of the income from excluded assistance group members;
9. Worker's compensation;
10. Investment income, such as dividends or interest from stocks, bonds, or savings accounts;
11. Alimony; and
12. Cash contributions or gifts (e.g., cash from relatives, churches, friends, gambling winnings, or charitable organizations).

Exempt Income

Exempt income is not counted in the income calculation. Examples of exempt earned and unearned income include, but are not limited to:

1. Earned income of a dependent child who is a full-time student or a part-time student and a part-time employee;
2. Need-based assistance (e.g., Temporary Assistance for Needy Families [TANF] and Food Stamps);
3. Foster Care payments;
4. Adoption Assistance Program (AAP) or State Adoption Subsidy (SAS) payments;
5. Guardianship Assistance Program (GAP) or State Guardianship Assistance

- Program (SGAP) payments;
6. A child's earned income received from participation in employment programs established under the Workforce Investment Act (previously the Job Training Partnership Act);
 7. Section 8 and Housing and Urban Development (HUD) subsidies;
 8. Earned income tax credits or income tax refunds; and
 9. Supplemental Security Income (SSI);

Note: SSI and RSDI are both Social Security benefits and classified as unearned income. However, these benefits are treated differently in determining Title IV-E eligibility. An individual in receipt of SSI is *excluded* from the assistance group and the income calculation when determining financial need. RSDI is *included* in the assistance group's income when determining financial need. It is important to carefully verify and document the type of Social Security benefits received by any assistance group member.

Forms and Tools

- [CEU Eligibility Binder](#)
- [Title IV-E and Title IV-A/EA Information \(SF 55435\)](#)

Related Policies

N/A

[Back to Top](#)

LEGAL REFERENCES

- [42 USC 672\(a\), \(h\), and \(j\): Removal and foster care placement requirements](#)
- [45 CFR 1356.21\(l\): Living with a specified relative](#)
- [45 CFR 233.10: General provisions regarding coverage and eligibility](#)
- [45 CFR 233.20: Need and amount of assistance](#)
- [465 IAC 2-7-5: Title IV-E; foster care eligibility](#)

[Back to Top](#)

PRACTICE GUIDANCE- DCS POLICY 15.07

Practice Guidance is designed to assist DCS staff with thoughtful and practical direction on how to effectively integrate tools and social work practice into daily case management in an effort to achieve positive family and child outcomes. Practice Guidance is separate from Policy.

Calculating Income

The total income available to the assistance group includes the countable earned and unearned income based on the month it was received, not the month it was earned. The total monthly income for all members of the assistance group is compared against the 185% and 100% standards of need. If the assistance group's income does not exceed either standard of need, the AFDC income requirement is met.

Note: In addition to the individuals in the assistance group, a portion of the earned and unearned income of the following individuals may also be considered:

1. Step-parent;
2. Unqualified alien parent; and
3. Senior parent (the parent of a minor parent).

The countable earned and unearned income must not exceed the income limits for the child's assistance group size. The income limits are based on Indiana's AFDC Program Standard of Need effective July 16, 1996.

[Back to Top](#)