

TO BE RESCINDED

5101:1-23-20

Ohio works first (OWF): income and eligibility.

(A) Determining initial eligibility

- (1) Except as provided in division (D)(4) of section 5107.10 of the Revised Code, to determine whether an assistance group is initially eligible to participate in OWF, a county department of job and family services (CDJFS) shall determine whether the assistance group's gross income exceeds fifty per cent of the federal poverty guidelines as set forth in division (D)(1)(a) of section 5107.10 of the Revised Code.
 - (a) For purposes of this paragraph, "gross earned income", as defined in paragraph (D) of this rule, shall be defined to exclude the actual verified dependent care costs of the assistance group for nonpublicly funded dependent care for a child or an incapacitated adult who is residing in the home. The amount that is excluded is the actual verified cost for each child or incapacitated adult.
 - (b) The assistance group's gross earned income, as defined in paragraph (A)(1)(a) of this rule, shall be added to the assistance group's gross unearned income, as defined in paragraph (D)(2) of this rule.
 - (c) The assistance group is ineligible to participate in OWF if the assistance group's gross income, as defined in division (A)(3) of section 5107.10 of the Revised Code, exceeds fifty per cent of the federal poverty guidelines as set forth in division (D)(1)(a) of section 5107.10 of the Revised Code.
- (2) If the assistance group's gross income does not exceed fifty per cent of the federal poverty guidelines as set forth in division (D)(1)(a) of section 5107.10 of the Revised Code, the CDJFS shall determine whether the assistance group's countable income is less than the payment standard set forth in paragraph (I) of this rule.

For purposes of this paragraph, "countable income" shall be defined as:

- (a) The assistance group's gross earned income, as defined in paragraph (D)(1) of this rule; minus,
- (b) The two-hundred-fifty dollar and one-half of the remainder disregards set forth in division (D)(3) of section 5107.10 of the Revised Code, if applicable; minus,

- (c) The actual verified dependent care costs of the assistance group for nonpublicly funded dependent care,; plus,
- (d) The assistance group's gross unearned income as defined in paragraph (D)(2) of this rule.

The assistance group is ineligible to participate in OWF if the assistance group's countable income equals or exceeds the payment standard set forth in paragraph (I) of this rule.

(B) Determining amount of cash assistance

Following a determination that an assistance group is eligible under paragraph (A) of this rule, the amount of cash assistance the assistance group is eligible to receive must be determined by:

- (1) Deducting the two-hundred-fifty dollar and one-half of the remainder earned income disregards, if applicable, as set forth in division (D)(3) of section 5107.10 of the Revised Code; and
- (2) Deducting the actual verified dependent care costs of the assistance group for nonpublicly funded dependent care,.
- (3) Adding the assistance group's unearned income as defined in paragraph (D)(2) of this rule, less any child support payments assigned in accordance with the provisions set forth in paragraph (D)(2)(a)(iii) of this rule, to the assistance group's gross earned income remaining after deducting the amounts set forth in paragraphs (B)(1) and (B)(2) of this rule.
- (4) Deducting the total derived in paragraph (B)(3) of this rule from the appropriate payment standard for the assistance group size, as set forth in paragraph (I) of this rule.
- (5) If there is a deficit, the deficit is the amount of cash assistance the assistance group is eligible to receive. If there is no deficit, the assistance group is ineligible for a cash assistance payment.

(C) Determining continued eligibility

- (1) To determine whether an assistance group participating in OWF continues to be eligible to participate, a CDJFS shall determine whether the assistance

group's countable income continues to be less than the payment standard. The determination of the assistance group's countable income is determined by applying the method set forth in paragraphs (A)(2)(a) to (A)(2)(d) of this rule.

- (2) The assistance group is ineligible to participate in OWF if the assistance group's countable income equals or exceeds the payment standard set forth in paragraph (I) of this rule.
- (3) If the assistance group's countable income is less than the appropriate payment standard, the CDJFS shall determine the amount of the cash assistance that the assistance group is eligible to receive in accordance with the provisions set forth in paragraphs (B)(1) to (B)(5) of this rule.

(D) Definitions

- (1) "Gross earned income" under the OWF program means the total amount of gross wages received in a month by all of the employed individuals in the assistance group. Gross earned income also includes wages legally obligated to members of the assistance group but which are diverted to a third party, as delineated in rule 5101:4-4-13 of the Administrative Code.
 - (a) For purposes of this rule, gross earned income also includes the following:
 - (i) The gross earnings of an individual residing with the assistance group who is a required assistance group member but who is excluded from the assistance group as set forth in paragraphs (C)(2) to (C)(8) of rule 5101:1-23-10 of the Administrative Code.
 - (ii) The gross earnings of the spouse of a married pregnant woman with no other OWF eligible children. In determining the pregnant woman's eligibility to participate in OWF, the income of her spouse must be included in that determination. The spouse's income is added to the pregnant woman's income. The assistance group's total income, less appropriate disregards, is compared to the payment standard for two. If the total income is less than the payment standard for two, the pregnant woman's eligibility for cash assistance is determined in accordance with paragraph (B) of this rule, using only her income.
 - (b) Gross earnings include the payments received before taxes and other deductions, by either an individual for services performed as an employee, and/or by an individual as a result of self-employment

(including providing room and board, or board only). Gross earnings include all wages, salary, commissions and profit received by assistance group members from activities such as a business enterprise.

(i) "Gross earnings received by an employee" means wages, back pay, bonuses and awards paid by employer, commissions, severance pay, payments from jobs corps, work training programs, on-the-job training programs, sick leave paid as wages, annual leave, holiday and vacation pay. State temporary disability insurance and temporary workers' compensation payments are considered gross earnings when such payments meet all of the following conditions:

(a) The payment is employer funded; and,

(b) The payment is made to an individual who remains employed during recuperation from a temporary illness or injury pending return to the job; and,

(c) The payment is specifically characterized under state law as a temporary wage replacement.

(ii) "Gross self-employment earnings" means the total profit from a business enterprise. The total profit from the self-employment enterprise is determined by deducting the self-employment expenses (i.e., the business expenses directly related to producing the goods or services) from the gross receipts.

(c) Unless otherwise addressed in this rule, income which is excluded from gross earned income under OWF includes the following:

(i) The gross earnings of a minor child in the assistance group who is a full-time student as defined by the school, unless the minor is a parent. Minor child is defined in section 5107.02 of the Revised Code.

(ii) All income excluded under the food assistance program regulations, as set forth in rule 5101:4-4-13, of the Administrative Code with the exception stated in paragraph (D)(1)(c)(i) of this rule.

(iii) Child support payments paid by an assistance group member for a child outside the assistance group. The amount paid, up to the

amount ordered, is excluded.

- (iv) The verified amount which is being garnished from the income.
- (v) Exclusions from self-employment income as set forth in rules 5101:4-4-13 and 5101:4-6-11 of the Administrative Code. A deduction claimed as personal business and/or entertainment expense is not an allowable deduction from self-employment income.
- (vi) In addition to the allowable exclusions from self-employment income as set forth in rules 5101:4-4-13 and 5101:4-6-11 of the Administrative Code, the following exclusions are made from the gross receipts of a microenterprise development (MED) participant for the one year period following the month that the MED participant's business is started or expanded. For purposes of this rule, a "MED participant" is an individual participating in a training and educational activity under the work component of OWF designed to prepare participants to establish self-employment opportunities to lead them toward self sufficiency. (These additional self-employment income exclusions do not apply to OWF participant assistance groups who are not participating in the MED project.)
 - (a) The provisions regarding nonallowable deductions from self-employment income, set forth in rule 5101:4-6-11 of the Administrative Code, are waived for a MED participant. However, the total of allowable business expenses permitted by paragraphs (D)(1)(c)(vi)(b) to (D)(1)(c)(vi)(c) of this rule shall not exceed seven thousand-five hundred dollars for the one calendar year period set forth in paragraph (D)(1)(c)(vi) of this rule during which the MED participant is subject to these provisions.
 - (b) A MED participant who purchases capital equipment or durable goods may use the costs of the capital equipment or durable goods up to five thousand dollars as allowable operating expenses in determining the gross earnings from self-employment.
 - (c) A MED participant who secures a business loan may deduct both the interest and principal portion of the business loan payment, not to exceed five thousand dollars, as allowable

operating expenses in determining the gross earnings from self employment.

- (d) A MED participant is permitted to make payments into an "unencumbered cash reserve account", and to deduct those payments as allowable business deductions in the determination of the MED participant's gross earnings from self-employment in any month in which the total amount in the fund does not exceed three thousand dollars.
- (e) The gross self-employment earnings, as defined in paragraph (D)(1)(b)(ii) of this rule, up to one hundred thirty-three per cent of the federal poverty level for the MED participant's OWF assistance group size, shall be considered excluded and disregarded as countable income (as defined in paragraph (C)(3) of this rule) for establishing continued eligibility and level of benefits for the one calendar year period set forth in paragraph (D)(1)(c)(vi) of this rule. Any gross self-employment earnings received by the MED participant in excess of one hundred thirty-three per cent of the poverty level for the MED participant's OWF assistance group size shall not be excluded from the gross earned income of the assistance group, and are included as gross earned income in determining the assistance group's eligibility to participate in OWF.
- (f) As long as the MED participant's gross earnings from self-employment do not exceed one hundred thirty-three per cent of the federal poverty level for the MED participant's OWF assistance group size during the one calendar year period set forth in paragraph (D)(1)(c)(vi) of this rule, the income is excluded from the definition of gross earned income as set forth in paragraph (A) of this rule. Any gross self-employment earnings received by the MED participant in excess of one hundred thirty- three per cent of the federal poverty level for the MED participant's OWF assistance group are not excluded and are subject to the provisions set forth in divisions (D)(1) and (D)(3) of section 5107.10 of the Revised Code.
- (d) Earned income tax credit (EITC) payments whether added to the individual's wages or as part of an income tax refund. The "EITC" is a refundable tax credit that is provided to workers with low income who have families and maintain households. The credit is based on the

individual's earned income and adjusted gross income. The individual's wages must be subject to federal withholding or Federal Insurance Contributions Act (FICA) taxes.

- (e) Income received due to temporary employment with the bureau of the census for a decennial census.
 - (f) Any other income amounts that federal statutes or regulations and sections 5101.17 and 5117.10 of the Revised Code require be excluded.
- (2) "Gross unearned income" under the OWF program means the total amount of unearned income that is received in the month by all members of the assistance group, and the unearned income of a parent specifically excluded from the assistance group, as set forth in rule 5101:1-23-10 of the Administrative Code, and paragraph (E)(6) of this rule. "Unearned income" is income that is not gross earned income or is not gross earned income from self-employment, as defined in paragraph (D)(1) of this rule. Gross unearned income includes cash contributions received by the OWF assistance group members from persons, organizations, or assistance agencies, and income allocated to the assistance group from a required individual who does not meet the citizenship requirements and is excluded from the OWF assistance group as set forth in rule 5101:1-23-10 of the Administrative Code, a stepparent, a parent(s) of a minor caretaker, and the spouse of a specified relative in need. Gross unearned income also includes non-recurring lump-sum payments. A non-recurring lump-sum payment is income that is not anticipated or expected to be received again. Receipt of a non-recurring lump-sum payment is income in the month received. Any portion of the non-recurring lump-sum payment remaining in the month after the month of receipt is considered a resource, and will not effect OWF eligibility, as the OWF program does not have a resource limit.
- (a) Any child support payments, whether received by the assistance group or assigned to the Ohio department of job and family services (ODJFS), are counted as unearned income in the determination of eligibility.
 - (i) Child support is considered as countable income in all budget calculations until the assignment of support is effective. The effective date of assignment is given in rule 5101:1-3-10 of the Administrative Code.
 - (ii) Direct payments of support received by an assistance group from the month of application through the month in which eligibility is determined and assistance is approved shall be budgeted as

unearned income.

- (iii) When eligibility is established, the amount of the assistance payment for the month following the month of approval is determined without child support considered as countable income because the assignment of support will take effect. Once the assignment of support is effective, any child support received by the assistance group is not counted as income in the actual grant calculation.
 - (iv) When the CDJFS adds an individual to an existing assistance group, the child support assignment is effective the first day of the month following the month the individual is added to the assistance group. The child support assignment may be deemed retroactive to the date the individual is required to be included in the assistance group. However, the child support payments received by or for the added individual prior to the effective date of assignment shall be treated as unearned income.
 - (v) During the period an assistance group is subject to a sanction as delineated in section 5107.16 of the Revised Code, any direct child support payments received and retained by the assistance group members are counted as income in the determination of OWF. These retained child support payments are not subject to IV-D recovery during the sanction period.
 - (vi) At such time as the assistance group is determined to be no longer subject to a sanction as delineated in section 5107.16 of the Revised Code and the payments are being sent to the child support enforcement agency (CSEA), the payments are no longer counted as income in the calculation of the assistance payment.
 - (vii) In some circumstances, the child support payments received by the CSEA cannot all be distributed for present, future and past months. This results in a refund of child support payable directly to the assistance group. When child support money has been distributed by the CSEA and an amount is refunded to the assistance group, the amount is counted as income in the month received beginning with the month following the month of receipt, as set forth in paragraph (D)(2) of this rule.
- (b) Paragraphs (D)(2)(b)(i) to (D)(2)(b)(xxi) of this rule set forth the income which is excluded from gross unearned income under OWF.

- (i) All income excluded under the food assistance program regulations, as set forth in rule 5101:4-4-13 of the Administrative Code;
- (ii) Income of a recipient of supplemental security income (SSI), including the SSI payment;
- (iii) Income of a child for whom federal, state or local foster care maintenance payments are made, including the foster care payment;
- (iv) Income of a child for whom federal, state or local adoption assistance payments are made, including the adoption assistance payment;
- (v) Income of step siblings who are not included in the assistance group;
- (vi) Payments made with county funds to increase the amount of cash assistance an assistance group receives in accordance with the provisions set forth in section 5107.03 of the Revised Code;
- (vii) Child support payments paid by an assistance group member for a child outside the assistance group. The amount paid, up to the amount ordered, is excluded;
- (viii) Contributions for shared living arrangements (i.e., cash payments received by an assistance group from an individual who is not an assistance group member but who resides in the household with the OWF assistance group and shares responsibility for the household expenses through an informal arrangement). The cash payment given to the assistance group is not available to the OWF assistance group because the payment represents the nonassistance group member's share of the household expenses;
- (ix) The value of surplus commodities donated by the department of agriculture;
- (x) Benefits received under the Title VII, nutrition program for the elderly, Older Americans Act of 1965, Public Law (PL) 89-73, July 14, 1965, title III, Section 339, as added PL 106-501, title III, Section 313, November 13, 2000, 114 Stat. 2252;

- (xi) Other payments made by a public or private agency for the purposes of supplementing standards, so long as there is no duplication of payment;
- (xii) Retroactive payments made as a result of a state hearing;
- (xiii) Experimental housing assistance payments made under annual contributions on contracts entered into under Section 237(f)(2) of the United States Housing Act of 1937 (42 U.S.C. 1421b), as in effect before January 1, 1975;
- (xiv) HUD community development block grant funds paid under Title I of the Housing and Community Development Act of 1974 ((PL) 93-383 , 08/22/74, 42 U.S.C. 3535(d), 42 U.S.C. 5309, as amended January 25, 1999);
- (xv) Home energy assistance support and maintenance paid in cash or in kind, PL 97-377 (12/21/82), PL 97-424 (01/06/83), and PL 98-21 (04/20/83);
- (xvi) Payments received under the provisions of the Aroostook Band of Micmacs, Public Law 102-171, 25 U.S.C 1721, 11/26/91.
- (xvii) Escrow accounts established or credited as the direct result of the assistance group's involvement in family self-sufficiency on or after May 15, 1992;
- (xviii) The verified amount which is being garnished from the income;
- (xix) Earned income tax credit (EITC) payments;
- (xx) Any other income amounts that federal statutes or regulations and sections 5101.17 and 5117.10 of the Revised Code require be excluded;
- (xxi) Kinship permanency incentive (KPI) payments made in accordance with the provisions set forth in rule 5101:2-40-04 of the Administrative Code;

(3) Countable income is computed in the manner set forth in paragraphs (A)(2)(a)

to (A)(2)(d) of this rule.

(E) Availability, verification, and exploration of potential income

- (1) Income received by the OWF assistance group during a calendar month must be considered in determining need and the amount of OWF assistance. Gross earned income, gross unearned income and countable income are defined in paragraphs (D)(1) to (D)(3) of this rule.
- (2) To be considered in determining the amount of OWF assistance, income must actually be received or be reasonably anticipated to be received by the assistance group during the calendar month. Only available income is considered in determining need.
 - (a) Availability depends upon the date of receipt and the number of months the income is intended to cover.
 - (b) It may be necessary in certain instances to apportion income to future months. Apportioned income is current income to the month to which it is apportioned.
 - (c) An employee under an annual contract of employment shall have the income from such contract averaged over the number of months covered under the contract, regardless of whether the employee chooses to receive the income in fewer months than the contract covers or whether it is paid in fewer months at the convenience of the employer.
- (3) Financial eligibility to participate in OWF depends upon the amount of income available to the assistance group for the calendar month, in accordance with the provisions set forth in this rule. There must be an established need for assistance. Assistance groups with income in excess of the limits set forth in divisions (D)(1) and (D)(3) of section 5107.10 of the Revised Code are not eligible to participate in OWF, even if the assistance group meets all other OWF eligibility requirements.
- (4) Income received by a member of the OWF assistance group is considered available to all members of the assistance group. This includes the receipt of social security Title II benefits. When a Title II beneficiary is a minor, benefits are usually paid through a representative payee. If the beneficiary is a member of the OWF assistance group, it is necessary to determine if the entire amount of the Title II benefit is counted as income to the assistance group.

- (a) The determination is first made by establishing whether or not the representative payee resides in the same household (i.e., residence) as the assistance group.
 - (b) If the representative payee resides in the same household, the total amount of Title II benefits received for the beneficiary is counted in determining the assistance group's eligibility to participate in OWF.
 - (c) If the representative payee does not reside in the same household as the beneficiary, only that portion made available to the beneficiary and/or caretaker is countable. Title II benefits retained by a representative payee who does not reside in the same household as the beneficiary are not considered potential income to the OWF assistance group.
- (5) If income is received jointly by a member of the assistance group and one or more persons not in the assistance group, the assistance group member's portion to be considered available is the prorated share, unless evidence is produced to the contrary.
- (6) The income of a parent specifically excluded from the standard filing unit, as set forth in rule 5101:1-23-10 of the Administrative Code, is considered in determining the assistance group's eligibility and payment, as set forth in this rule, and divisions (D)(1) and (D)(3) of section 5107.10 of the Revised Code. SSI recipients and parents or children for whom federal, state or local foster care maintenance or adoption assistance payments are made, are the exceptions. If the individual is a sibling, his income is not counted.
- (7) The CDJFS must explore with each assistance group the potential development of monthly income. The assistance group must apply for any monthly benefits to which it is entitled. It is not appropriate to require the assistance group to apply for lump-sum withdrawals of retirement or pension funds which would negate the drawing of monthly benefits in the near future.
- (8) The assistance group, including the person responsible for a child receiving OWF benefits, is responsible for giving information necessary to income determinations, and for taking all actions necessary to obtain unconditionally available income.
- (a) Income shall be unconditionally available if the assistance group has only to claim or accept the income, or to establish eligibility for the income; e.g., relative's offer of a contribution, or retirement, survivor's and disability insurance (RSDI).

- (b) Ineligibility to participate in OWF results if the assistance group refuses to accept unconditionally available income.

(F) Computing monthly income

Gross earned, gross unearned and countable income are defined in paragraphs (D)(1) to (D)(3) of this rule. All three of these definitions address income received, or expected to be received in a calendar month. This paragraph provides the method for computing monthly income when the income is received in a frequency other than monthly.

- (1) In calculating gross income as defined in division (A)(3) of section 5107.10 of the Revised Code, each assistance group member's monthly gross income amount shall be rounded down to the nearest whole dollar by dropping all cents, all cents in gross weekly, biweekly, or semimonthly income shall be dropped prior to applying the conversion factors set forth in paragraph (F)(2) of this rule.
- (2) Income which is received in a frequency other than monthly must be converted into a monthly amount in order to avoid adjusting the assistance group's income each month. All cents shall be dropped after multiplying the individual's income by the appropriate conversion factor, and prior to applying applicable earned income disregards, as set forth in division (D)(3) of section 5107.10 of the Revised Code. (Hourly rates which contain cents are not rounded, but are multiplied in the exact amount.)

Conversion shall be performed using the following factors:

- (a) Income received on a weekly basis is multiplied by 4.3.
 - (b) Income received biweekly (every two weeks) is multiplied by 2.15.
 - (c) Income received semimonthly (twice a month) is multiplied by 2.
- (3) In situations in which an individual has fluctuating income, the income must first be averaged to arrive at a figure to be converted into monthly income, as set forth in paragraphs (F)(3)(a) to (F)(3)(c) of this rule.
 - (a) If the employed individual works the same number of hours per pay period, that number of hours shall be used in computing the individual's gross monthly income. The gross monthly income shall be computed by either using the gross earnings listed on the individual's pay stubs or by

multiplying the number of hours per pay period by the hourly rate of pay. This figure is used to convert the income into a monthly amount.

- (b) If the employed individual has fluctuating hours, the pay must be averaged. The averaged amount is used in converting the income into a monthly figure. When income fluctuates, it is recommended that the CDJFS average the income received in the preceding four weeks, whenever possible.
- (c) When the income from the prior four week period is not representative of current or future income, it is recommended that the CDJFS project income based on a best estimate. The best estimate shall be based on a number of variables which may affect the determination. The variables that may need to be considered include:
 - (i) There are more than four weeks of pay stubs available and the individual states that an average of a longer period of time is more representative, because the income received in the most recent four weeks was less or greater than average. It is recommended that the CDJFS use all available income related information for the immediately preceding three-month period. This includes situations when the individual disagrees with the use of income from the past four-week period as representative of future income. It is recommended that the CDJFS use all available income related information (including the individual's projection of future earnings) to determine a representative figure. Some pay stubs reflect year-to-date earnings. This is an acceptable method of determining average income for longer than the four-week period.
 - (ii) If there are fewer than four weeks of pay stubs available, it is recommended that the CDJFS use all available income related information to arrive at a representative figure. This includes situations when the employed assistance group member disagrees with the use of earnings from the past four-week period as indicative of future earnings.
 - (iii) If there are no pay stubs available because the employment is new, it is recommended that the CDJFS project an estimated amount for a pay period based on the CDJFS' best estimate of the individual's income and circumstances. The CDJFS' best estimate shall be based on projected wages from and hours of employment as reported by the individual. The CDJFS' best estimate for the pay period shall be converted into monthly income as set forth in paragraph (F)(2) of this rule.

- (4) In situations in which an individual has self-employment income, the CDJFS must determine the gross earnings for the month based on an estimate of the individual's gross annual earnings.
- (a) Whenever possible, the CDJFS must secure a copy of the self-employed individual's previous year's tax return. The income listed on the previous year's tax return should be used to estimate the expected earnings for the current and future months. The self-employed individual shall be asked to provide copies of his tax return from the previous year, as well as the individual's current business records in order for a projection of annual gross income to be determined. Unless the individual contests this determination of expected income, the estimate of income for the current taxable year shall be based on the previous year's tax return. The individual's gross monthly earnings should be determined to be one-twelfth of the gross earnings as shown on the tax return for the preceding year. This method of estimating the self-employed individual's income should be applicable in situations in which the individual has been self-employed for some time, his gross earnings from self-employment have remained fairly constant (as evidenced by tax returns from previous years) and there is no anticipated change in circumstances.
- (b) If the individual contests the estimate of his income from self-employment based solely on information on the previous year's tax return, the individual must provide a projected estimate of his gross earnings for the current taxable year, based upon his current business records to support his contention. When the individual can estimate his gross earnings for the current taxable year based on his current business records, the CDJFS shall accept the individual's best estimate. Using the individual's best estimate of income for the current taxable year, the CDJFS shall allocate one-twelfth of the gross annual income equally into each month of the taxable year.
- (c) If the individual contests the CDJFS estimate of his income from self-employment (based solely on information on his previous year's tax return) but does not provide a projected estimate of gross earnings for the taxable year based on current business records to support his contention, the CDJFS shall project his earnings based on the gross earnings listed on his previous year's tax return.
- (i) In the event that the individual does not have a tax return from the previous year because the business is a new one, (or because the individual's records have been destroyed or are unavailable and

all attempts to recover the records have been exhausted) the CDJFS shall project an estimate of the individual's annual gross earnings from self-employment based on the individual's current business records. The CDJFS shall base its decision on the individual's business records for the current year unless the individual contests this determination and provides a reasonable explanation as to why the current business records do not reflect the income (and expenses) that he expects to receive in the future. If the individual contests the determination by providing a reasonable explanation as to why the CDJFS projection is not satisfactory and provides a written estimate of his projected annual gross earnings from self-employment, the CDJFS shall use the individual's written estimate on which to base the eligibility determination. The CDJFS shall determine that one-twelfth of the projected gross earnings from self-employment shall be allocated monthly.

- (ii) In some situations the previous year's tax return of a self-employed individual is not representative of the expected earnings/income for the current year. There are some situations in which it will be difficult to project future earnings from the individual's self-employment. Projecting income will be especially difficult in these situations on a monthly basis because the allowable expenses may be higher or even exceed the gross receipts, for a particular month. The previous year's tax return or current business records may not be considered to be accurate indicators of the individual's expected earnings for a variety of reasons.
 - (iii) In the absence of both the previous year's tax return and current business records, the CDJFS shall require the individual to provide a written best estimate of his projected annual income and expenses. The CDJFS shall then determine that one-twelfth of the projected annual gross earnings from self-employment shall be distributed into all months of the taxable year.
- (5) The computed average (and the subsequent conversion to a monthly figure) shall remain unchanged until a change in income occurs as delineated in rule 5101:1-2-20 of the Administrative Code, or until the next reapplication. A reported change in income requires a recomputation of the budget.
- (6) In calculating the expenses to be subtracted from monthly income, the actual amount of each expense shall be used in the calculation. The sum of these expenses shall be deducted from the individual's rounded-down monthly income. If there are different categories of allowable expenses, the actual

amount of the expenses are added by category. The sum of each category of expenses shall be deducted from the corresponding category of rounded-down gross monthly income.

(G) Allocating income to an assistance group

- (1) Income is allocated to the OWF assistance group from an individual living with the assistance group who is a stepparent, a parent of a minor caretaker when the minor caretaker's needs are included in the OWF assistance group with the minor's child(ren), a spouse of a specified relative in need (as set forth in paragraph (G)(4) of this rule and rule 5101:1-23-10 of the Administrative Code) and/or a parent who does not meet the citizenship requirements who is excluded from the OWF assistance group in accordance with the provisions set forth in rule 5101:1-23-10 of the Administrative Code. The same income allocation method is used when allocating income from any of these individuals. The income allocation method is set forth in paragraphs (G)(6)(a) to (G)(6)(f) of this rule.
- (2) For OWF purposes, a "stepparent" is a person who is ceremonially or legally married to the child's parent. All income of a stepparent who is living in the home with the OWF children must be considered in determining the eligibility of the OWF children. Non-recurring lump-sum payments received by a stepparent are considered as income in the month received. That portion retained by the stepparent subsequent to the month of receipt represents a resource to the stepparent. Since the parent of the OWF children must be included in the OWF grant, his needs are not included in the allocation amount set forth in paragraph (G)(6)(b) of this rule, that is deducted from the income of the stepparent. However, income must not be allocated from the stepparent when the parent of the children for whom OWF is requested, is ineligible or excluded from the OWF assistance group.
- (3) When the caretaker of an eligible child is included in the OWF assistance group with the eligible child, is under the age of eighteen, and lives with his/her parent(s), the CDJFS must allocate income to the minor caretaker's assistance group from the minor caretaker's parent(s). When a minor caretaker resides with a parent and a stepparent (spouse of the minor's parent), and the minor caretaker is included in the OWF assistance group with the minor's child, only the income of the minor caretaker's biological or adoptive parent(s) is used. The income of the stepparent of the minor caretaker is not used in the allocation budget.

When the caretaker of an eligible minor child is under the age of eighteen and that minor caretaker is not included in the OWF assistance group with the eligible child, the income of the parent of the excluded minor caretaker must

not be counted or allocated in determining OWF eligibility for the excluded minor caretaker's child.

A lump-sum payment received by a parent of a minor caretaker who is not a part of the OWF assistance group is considered as income available to the minor caretaker's assistance group in the month it is received. Any portion of the lump-sum income retained by the parent of the minor caretaker subsequent to the month of receipt represents a resource to the parent of the minor caretaker.

- (4) For purposes of this rule, a "specified relative in need" is an individual living with the dependent children who meets the definition of specified relative set forth in section 5107.02 of the Revised Code, and who is not a required member of the standard filing unit as delineated in rule 5101:1-23-10 of the Administrative Code, but who requests to be included in the standard filing unit with the children. When the specified relative has a spouse, the income of the spouse must be used in the determination of the OWF assistance group containing the specified relative in need.
- (5) When a parent of a child in the OWF assistance group does not meet the citizenship requirement necessary for receipt of OWF, the alien parent is excluded from the OWF assistance group as set forth in rule 5101:1-23-10 of the Administrative Code. The income of the ineligible alien parent is allocated in accordance with the provisions set forth in paragraph (G) of this rule, in the determination of eligibility and level of benefits for the assistance group.
- (6) The income allocation budget is calculated as follows:
 - (a) First, deduct the first ninety dollars of the individual's gross earned income for the month.
 - (b) Second, add the individual's gross unearned income to the figure derived in paragraph (G)(6)(a) of this rule.
 - (c) Third, from the figure derived in paragraph (G)(6)(b) of this rule, deduct the allocation amount (as set forth in paragraph (I) of this rule) for the individual from whom the income is being allocated and any other individual who meets all of the following conditions.
 - (i) The individual is living in the home.

- (ii) The individual's needs are not included in the OWF assistance group. Unless the individual is a recipient of SSI, or otherwise excluded from the assistance group pursuant to rule 5101:1-23-10 of the Administrative Code, the parent of the OWF children must be included in the assistance group. Therefore, the parent's needs are not included in the allocation amount to be deducted.
 - (iii) The individual is claimed or could be claimed by the individual from whom the income is being allocated as a dependent for federal personal income tax liability under the internal revenue service's rule.
- (d) Fourth, deduct the amount of the payments made by the individual from whom the income is being allocated for individuals who are not living in the home but are claimed or could be claimed by the individual as dependents for federal personal income tax liability under the internal revenue service's rules.
- (e) Fifth, deduct the amount paid by the individual from whom the income is being allocated as alimony or child support for individuals not living in the home.
- (f) The remainder is the amount that is allocated to the OWF assistance group and treated as unearned income to the OWF assistance group.

(H) Earned income disregard

Section 5107.10 of the Revised Code sets forth the specific earned income disregards which are deducted from the assistance group's gross earned income as defined in paragraph (D)(1) of this rule.

- (1) The disregards set forth in section 5107.10 of the Revised Code are applied to the assistance group's gross earned income for the month (as defined in paragraph (D)(1) of this rule).
- (2) The disregard set forth in section 5107.10 of the Revised Code shall not be applied to the assistance group's gross earned income for any month in which the assistance group failed without good cause to make a timely report of earnings as set forth in rule 5101:1-2-20 of the Administrative Code.
- (3) When a required member of the assistance group who is ineligible to be included in the assistance group, as set forth in paragraphs (C)(2) to (C)(8) of

rule 5101:1-23-10 of the Administrative Code, has earned income, that individual's earned income must be included in determining the assistance group's eligibility to participate in OWF. The income of a required individual who does not meet the citizenship requirements and is excluded from the OWF assistance group as set forth in rule 5101:1-23-10 of the Administrative Code is considered in accordance with the provisions set forth in paragraph (G) of this rule.

- (4) When the eligibility of a married pregnant woman living with her spouse with no other eligible children, is determined, as set forth in paragraph (D)(1)(a) of this rule, the income of the woman's spouse is used in determining her eligibility to participate in OWF. The earned income disregards set forth in section 5107.10 of the Revised Code are applied to the assistance group's earned income. The remainder of the income is compared to the payment standard for an assistance group size of two. If the income is less than the payment standard for two, the woman's eligibility to participate in OWF is determined using only her income. Once the child is born, the spouse must be added to the assistance group in accordance with the provisions set forth in rule 5101:1-23-10 of the Administrative Code. When the spouse is added to the assistance group, his income must be used in determining continued eligibility in accordance with the provisions set forth in paragraph (D)(1)(a) of this rule.
- (I) Standards chart: allocation allowance standard, OWF payment standard, and the ninety per cent payment standard
- (1) The allocation allowance standard is the amount used when a portion of the income of an individual, who is not a member of the assistance group, must be considered in the calculation of income to be applied to an assistance group.
 - (2) The OWF payment standard is the maximum amount of OWF cash assistance an assistance group may receive. Income that is determined to be available to the assistance group as set forth in this rule is deducted from the OWF payment standard to determine the amount of the OWF cash payment.
 - (3) As set forth in section 5107.04 of the Revised Code, the OWF payment standard shall increase on the first day of each January by the cost-of-living adjustment (COLA) that is made in the preceding year.
 - (4) The ninety per cent payment standard.
 - (a) When an overpayment is recovered by grant reduction, the assistance

group retains from its combined income (without disregards), liquid assets, and assistance payment an amount equal to ninety per cent of the payment standard for an assistance group of the same composition with no other income (ninety per cent payment standard). The CDJFS adds any work activity expense allowance or the learning, earning and parenting (LEAP) bonus after the payment standard is reduced for grant reduction.

- (b) When an overpayment is recovered by grant reduction, and the individual who caused the overpayment was disqualified due to an intentional program violation as described in Chapter 5101:6-20 of the Administrative Code, and who is still residing with the otherwise eligible assistance group, the remaining assistance group members shall retain (from combined income, liquid assets, and assistance payment) an amount equal to ninety per cent of the payment standard for the assistance group excluding the disqualified individual's needs.

- (5) The following chart provides the standards set forth in paragraphs (I)(1) to (I)(4)(b) of this rule.

Number in Assistance Group	Allocation Allowance Standard	Payment Standard	Ninety Per Cent Payment Standard
1	583	259	233
2	802	355	320
3	980	434	391
4	1210	536	482
5	1417	627	564
6	1578	698	628
7	1761	780	702
8	1954	864	778
9	2149	951	856
10	2345	1037	933
11	2532	1120	1008
12	2727	1207	1086

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TO BE RESCINDED

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13	2919	1292	1163
14	3109	1375	1238
15	3304	1462	1316
Add for each person above 15	241	108	97

Effective:

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Certification

Date

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