Allocation and Deeming

Revised August 1, 2024

Purpose:

This section includes cash assistance, medical assistance, and Basic Food rules and procedures for allocating the income of ineligible or non-assistance unit (AU) members to an AU, allocating the income of AU members to non-members (for cash assistance we refer to this as the allocated household income disregard), and deeming a sponsor's income to AUs with a sponsored immigrant.

[WAC 388-450-0105](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0105) Allocating the income of a financially responsible person included in the assistance unit.

* [Clarifying Information](https://www.dshs.wa.gov/esa/income-table-contents/allocation-and-deeming#388-450-0105)

[WAC 388-450-0106](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0106) How does the department count my income if someone in my family cannot get assistance because of their immigrant status?

* [Clarifying Information](https://www.dshs.wa.gov/esa/income-table-contents/allocation-and-deeming#388-450-0106)

[WAC 388-450-0130](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0130) Does the department allocate the income of a nonapplying spouse to a caretaker relative?

* [Clarifying](https://www.dshs.wa.gov/esa/income-table-contents/allocation-and-deeming#388-450-0130) Information

Clarifying Information - [WAC 388-450-0105](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0105)

1. See [WAC 388-450-0106](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0106) for rules about allocating income of members who are excluded because of immigration status.

**EXAMPLE #1:**

A parent and one of their children receive TANF cash benefits. The parent is employed and pays $275 court-ordered support for a child not living in the home. The parent has two other children who are not included in the assistance unit as they are probation violators. The parent receives $1,800 gross income each month from employment.

* $833 (4-person payment standard) – $570 (2-person payment standard) = $263 (allocated household income disregard).
* $1,800 (Gross earned income) - $500 (family earnings disregard) = $1,300 ÷ 2 (50% work incentive) = $ 650 (countable earned income)
* $650 (countable earned income) - $275 (court ordered child support) = $375 – 263 (allocated household income disregard) = $112 **Countable Income**
* $570 (2-person payment standard) - $112 (countable income) = **$458 Grant amount**

In this example #1, the parent's countable income exceeds the payment standard for a 2-person household and would render the assistance unit ineligible for cash benefits. However, as the parent has three dependent children who they are financially responsible for, the income is reduced to allocate for their needs, allowing them and their child to be eligible for benefits.

**Example # 2:**

 A married couple applies for TANF for themselves and their two children. The husband receives unemployment compensation (UC) of $1000 each month of which Division of Child Support (DCS) garnishes $275 for a child living outside the assistance unit.

* $1000 (gross UC) - $275 (court ordered child support) = $ 725 **Countable Income**
* $833 (4 person payment standard) - $725 (countable income) = **$108** **Grant Amount**

In this example #2, the husband's gross UC exceeds the payment standard. However, the husband has one dependent he is financially responsible for, which allows the assistance unit to be eligible for TANF.

**EXAMPLE #3 -**

Jane and Sam, a married couple, apply for TANF for themselves and their two children. Sam pays $275 in child support for a son living outside the home. The husband’s gross monthly earned income is $700 and $450 unearned income – he is ineligible due to a probation violation, his wife's gross earned income is $800 per month.

* $833 (4-person payment standard) - $706 (3-person payment standard) = $127 (allocated household income disregard).
* $800 (Jane) + 700 (Sam) = $1500 - $500 (family earnings disregard) = $1000 ÷ 2 (50% work incentive) = $500 + $450 (unearned income) = $950
* $950 – $127 (allocated household income disregard) – $275 (court ordered child support) = $548 **Countable income**
* $706 (3-person payment standard) - $548 (countable income) = **$158 Grant Amount**

In this example #3, the ineligible husband's countable earned and unearned income exceeds the payment standard for the household, allocating income for his needs and deducting the child support payment makes the difference ($548) available to the assistance unit reducing the grant by that amount.

**EXAMPLE #4:**

Parents are not married.

Kamilla, an employed mother and two children are receiving TANF cash benefits. Her monthly earned income is $800 and she pays $200 child support each month for a child living outside the home. The father, Tristan, resides in the home and not aided in the assistance unit because he is a fleeing felon. His monthly earned income is $700. Tristan’s minor daughter is also residing in the home and is ineligible as she does not have a social security number.

* $959 (5-person payment standard) – $706 (3-person payment standard) = $253 (allocated household income disregard).
* $800 (Kamilla’s gross earned income) + $700 (Tristan’s gross earned income) = $1500 - $500 (family earnings disregard) = $1000 ÷ 2 (50% work incentive) = $ 500
* $500 - $200 (court ordered child support) - $253 (allocated household income disregard) = $47 **Countable income**
* $706 (3-person payment standard) - $47 (countable income) = **$659 Grant Amount**

In this example #4, the ineligible father's countable income is included in the calculation of benefits, the remaining countable income is available to meet the needs of his eligible TANF children and added to the assistance unit's net income.

Clarifying Information - [WAC 388-450-0106](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0106)

1. If an immigrant was sponsored into the United States, use [WAC 388-450-0155](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0155), [WAC 388-450-0156](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0156), and [WAC 388-450-0160](http://app.leg.wa.gov/WAC/default.aspx?cite=388-450-0160) to see how much of the sponsor's income we count.

**EXAMPLE #1:**

A lawfully present immigrant mother and one U.S. citizen child receive TANF cash benefits. The mother is employed and pays $200 court-ordered support for a child not living in the home. Mother has two other children who are excluded from the assistance unit because of their immigrant status. The mother receives $1,000 gross earned income each month from her employment.

* $833 (4-person payment standard) - $570 (2-person payment standard) = $263 (allocated household income disregard)
* $1,000 (gross earned income) - $500 (family earnings disregard) = $500 ÷ 2 (50% work incentive) = $250
* $250 - $200 (court ordered child support) - $263 (allocated household income disregard) = $0 **Countable income**
* $570 (2-person payment standard) - $0 (countable income) = **$570 Grant Amount**

**EXAMPLE #2:**

An employed mother and her two children receive TANF cash benefits. The mother pays $200 support each month for a child living outside the home. Her husband is excluded from the AU because of his immigrant status. One of their children is also excluded from the AU because of her immigration status. Mother receives $1,100 gross income from her employment.

* $959 (5-person payment standard) – $706 (3-person payment standard) = $253(allocated household income disregard)
* $1,100 (wife’s gross earned income) - $500 (family earnings disregard) = $600 ÷ 2 (work incentive) = $300
* $300 - $200 (court ordered child support) - $253 (allocated member deduction) = $0 **Countable Income**
* $ 706 (3-person payment standard) - $0 (countable income) **= $706 Grant Amount**

**EXAMPLE#3:**

An employed mother and her two children are receiving TANF cash benefits. The father of the two TANF children also resides in the home. He is not included in the assistance unit because of his immigration status. The father also has a 17-year-old son who lives in the home but is not included in the AU because of his immigration status. The mother receives $1,400 gross earned income each month.

* $959 (5-person payment standard) - $706 (3-person payment standard) = $253 (allocated household income disregard)
* $1,400 (wife’s gross earned income) - $500 (family earnings disregard) = $900 ÷ 2 (50% work incentive) = $450
* $450 - $253 (allocated household income disregard) = $197 **Countable Income**
* $706 (3-person payment standard) - $197 (countable income) **= $509 Grant Amount**

**EXAMPLE #4:**

A recently married woman and her child receive TANF cash benefits. The new husband is an undocumented immigrant. The woman has earnings of $1,200 per month. The husband earns $300 per month.

**For Cash Only**

* $706 (3-person payment standard) – $570 (2-person payment standard) = $136 (allocated household income disregard)
* $1,200 (wife’s gross earned income) + $300 (husband’s gross earned income) = $1500 - $500 (family earnings disregard) = $1000 ÷ 2 (50% work incentive) = $500
* $500 - $136 (allocated household income disregard) = $364 **Countable Income**
* $570 (2-person payment standard) - $364 (countable income) **= $206 Grant Amount**

**For Basic Food Only**

The same household also receives Basic Food benefits. Count all her income and a prorated share of the undocumented immigrant’s income. Divide his earnings by the number of people in the AU, subtract the 20% disregard, and the total is his countable income.

* $ 300 (Husband's Gross earned income) ÷ 3 People in household = $80 each
* $ 160 (Countable earned income from husband deemed to Mom and child as unearned)
* $1,200 (Mom's earnings) - 20% (Subtract the 20% earned income disregard) = $ 960 (Total countable earnings) + $160 deemed from husband = $1,120

Worker Responsibilities - [WAC 388-450-0130](http://app.leg.wa.gov/wac/default.aspx?cite=388-450-0130)

1. When residing together, allocate the income of a nonapplying spouse to meet the needs of the applying spouse who requests inclusion in the assistance unit as a needy caretaker relative of specified degree (e.g. a grandparent applying with a grandchild or an aunt applying with a niece/nephew).

**EXAMPLE #1:**

Aunt applies for assistance for her nephew and herself as a needy caretaker relative of specified degree. The aunt's husband also resides in the home. Their income consists of his retirement pension of $600 per month. Determine eligibility as follows:

* $706 (3-person payment standard) - $570 (2-person payment standard) = $136 (allocated household income disregard)
* $600 (pension income) - $136 (allocated household income disregard) **=** $464 **Countable Income**
* $570 (2-person payment standard) - $464 (countable income) **= $106 Grant Amount**

In this situation, it would be to the household's advantage to discuss non-needy assistance to the caretaker relative, as the child alone would be eligible for a grant amount of $450.

**NOTE:**

If the allocated income of the adults decreases the cash grant to less than the payment standard without the needy relative, always advise the needy relative of the option to receive cash benefits for the eligible child(ren) only.