Dependent Child Income

This section includes information about income received by participants under the age of 19 that are considered dependents.

Policy

The income of a dependent child is considered countable based on the age and school attendance of the child. The type of income is reviewed determines whether the income is counted towards eligibility. (See the specific income type to determine whether the income type is countable.)

For NA, earned income(g) of a dependent child, including self-employment(g) income, is not countable when ***all*** of the following occur:

- The dependent child is under the age of 18.
- The child is under the parental control(g) of an adult NA budgetary unit participant.
- The child attends school at least half-time, as defined by the school, which includes ***all*** of the following:

  Elementary school.

  High school, which includes obtaining a General Educational Development (GED) certificate.

  NOTE When school attendance is not verified, the income is countable.

For CA, the earned income of a dependent child, including self-employment income, is not countable when the dependent child is ***one*** of the following:

- Under the age of 18 and attends school at least half-time, as defined by the school.
- Is age 18 and meets the CA student criteria by being a full-time student who is expected to graduate from high school before their 19th birthday. (See CA Student Criteria for school requirements and additional guidelines.)

The earned income of a dependent child is countable when ***any*** of the following occur:

- The dependent child is not attending school at least half-time as defined by the school.
- School attendance of the dependent child is not verified.
- For NA, when ***one*** of the following applies:

  The dependent child is not under the parental control of an adult NA budgetary unit participant.

  The dependent child is 18 or older.

- For CA, the dependent child is 18 or older and does not meet the CA student criteria.

For determining whether the earnings of a dependent child are countable, except when determining CA student criteria, school is defined as ***any*** of the following:

- Any recognized elementary, middle, high school or training program affiliated with these institutions.
- Vocational Training or General Education Development (GED) classes preparing the child for the GED examination.
- Home schooling recognized or supervised by the state or local school district.
- For CA, an accredited correspondence course to obtain a high school diploma.

NOTE Consider the student as meeting school attendance criteria during temporary interruptions of school attendance due to semester recess or vacation periods. This applies as long as the child returns to school following the recess.

Countable income is used to determine an income budget. (See Income Budgeting to see how FAA determines the income budget.) FAA needs to know about income that is both countable and not countable to determine whether a budgetary unit's expenses are exceeding their income. (See Income Eligibility for more information about how FAA uses countable and not countable income.)

Procedures

Request verification, when not provided, for both income and school attendance of the working dependent child.

Determine based on the policy above whether the dependent child's income is countable or not countable for each program.

Have the participant sign the Authority to Release Information (FAA-1765A) form to contact any companies or businesses involved.

Documentation must support determinations of eligibility and benefit level. Document in sufficient detail to ensure that any reviewer can assess whether the determination is reasonable and accurate. Include specific information regarding the reason the income is determined to be reasonably expected to continue. (See Budgeting Income Documentation Requirements for additional information.)

Verification

System interface and the case file(g) must be reviewed before verification is requested. No additional verification is needed when AZTECS interface or HEAplus hubs have verified the information.

The participant has the primary responsibility for providing verification. (See Participant Responsibilities – Providing Verification for additional policy.)

When self-employment expenses are not verified, eligibility is determined without the 40% Self-Employment Expense deduction.

School Attendance Verification

School attendance needs to be verified for new applications, renewal applications, and when a change is reported for the dependent child who has earnings.

Student status verification sources to confirm whether a dependent child is in school at least half-time include, and are not limited to, ***any*** of the following:

- A completed Verification of School Attendance (FAA-0075A) form.
- A collateral contact with the school.

Dependent Income Verification

For NA, income is required to be verified for ***all*** of the following before eligibility is determined:

- When reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- For changes reported after an eligibility determination of a new application (e.g., a renewal application, mid approval contact, etc.) and ***any*** of the following apply:

  The source of the income has changed.

  The income is questionable(g) or unclear(g).

  The reported income amount has changed by $51 or more.

  The previous verification in the case file is more than 59 calendar days(g) old.

For CA, all income is required to be verified before determining eligibility.

Examples of verification that can be used to verify dependent income when it is not considered self-employment income(g) include, and are not limited to, ***any*** of the following:

- System interface(g) when the participant agrees that the information is accurate.
- A copy of a paycheck stub.
- Copy of checks when the gross earnings are listed.
- A printout from a third-party payroll verification source provided by the participant.
- Third-party payroll verification sources when the employer uses the verification source as its legal agent to provide payroll services or respond to inquiries about employee records. (See

Third-Party Payroll Verification Sources(g) for FAA approved sources, additional information, and instructions for requesting additional sources.)

- A New Employment Verification (C005) notice that is completed, dated, and signed by the employer or their payroll authority. To be considered complete, the statement needs to include ***all*** of the following:

  Name, address, and telephone number of the employer

  Gross pay for the periods needed

  Frequency of pay (e.g., weekly, monthly, quarterly, etc.)

  Day of the week or day of the month pay is received (e.g., Fridays, 5th and 20th of the month, first of the month, etc.)

  Any expected change in pay

- For new or current employment verification, a completed Verification of New/Current Employment (FAA-0053A) form that includes a date and the signature of the employer or their payroll authority.
- For terminated employment verification, ***any*** of the following completed items that include a date and the signature of the employer or their payroll authority:

  Verification of Terminated Employment (FAA-1701A) form

  Verification of Terminated Employment (C019) notice

- Letter from the agency providing government-sponsored training.
- Leave and Earnings Statement (LES) from the military.
- A collateral contact with the employer or their payroll authority to clarify documented verification the participant provided.

  NOTE Collateral contact is not used when contacting the employer would jeopardize the participant's employment or when the employer does not accept telephone verification.

NOTE Many companies do not allow verification over the telephone. When an FAA-0053A or FAA-1701A must be completed by ***any*** of the following, see the company's contact information to determine where FAA staff must send the form:

- Wendy's Employment and Wage Contact Information
- Solutions Staffing Employment and Wage Contact Information

Examples of verification that can be used for dependent self-employment income and self-employment expenses include, and are not limited to, ***any*** of the following:

- Bookkeeping records
- Business ledgers listing income amounts received and expenses incurred
- Actual receipts

- Contracts for work
- Statements from patrons and companies
- Most recent Internal Revenue Service (IRS) U.S. Individual Income Tax Return (1040) form. Below are common IRS Schedule forms that the participant may provide in addition to the 1040:

  Schedule C, Profit or Loss From Business

  Schedule E, Supplemental Income and Loss

  Schedule F, Profit or Loss from Farming

  Schedules B-1, C, D, K, K-1, K-2, K-3, and M-3 of IRS U.S. Return of Partnership Income (1065) form (See Limited Liability Company (LLC) Definition for more information about LLCs.)

  NOTE Do not use the most recent IRS 1040 and Schedule forms when the participant indicates it does not accurately reflect the participant's current income.

- Rent or mortgage receipt for business property
- Property tax statements for business property
- Utility costs for business property
- Cleaning cost bills for business property
- Business location and equipment maintenance
- Personal records indicating personnel salaries or costs of outside labor, such as canceled checks and payroll checks

---

AZTECS Keying Procedures

To accurately key AZTECS next to the dependent child, see ***one*** of the following based on the age of the dependent child and countable programs:

- Under 18, Countable for NA Only
- Under 18, Countable for Both NA and CA
- Under 18, Not Countable for Both NA and CA
- 18 or Older

NOTE There is no situation where the income is countable for CA only.

Under 18, Countable for NA Only

When the dependent child’s income is countable for NA only, complete ***one*** of the following:

- When not self-employed, key the CF Earned Income Code in the INCOME TYPE field on EAIC.
- When self-employed, key the OF Self-employment Income Code in the INCOME TYPE field on SEEI or SEEW.

Under 18, Countable for Both NA and CA

When the dependent child's income is countable for both NA and CA, complete ***one*** of the following:

- When not self-employed, key the CH Earned Income Code in the INCOME TYPE field on EAIC.
- When self-employed, key the OT Self-employment Income Code in the INCOME TYPE field on SEEI or SEEW.

Under 18, Not Countable for Both NA and CA

When the dependent child's income is not countable (excluded) for both NA and CA, complete ***one*** of the following:

- When not self-employed, key the CX Earned Income Code in the INCOME TYPE field on EAIC.
- When self-employed, key the OX Self-employment Income Code in the INCOME TYPE field on SEEI or SEEW.

18 or Older

When the dependent child's income is countable for NA only because the dependent child meets the CA student criteria, complete ***one*** of the following:

- When not self-employed, key the CF Earned Income Code in the INCOME TYPE field on EAIC.
- When self-employed, key the OF Self-employment Income Code in the INCOME TYPE field on SEEI or SEEW.

When the dependent child's income is countable for both NA and CA, see the appropriate income type for keying instructions.

Document the case file(g) thoroughly to support keyed codes, amounts, and frequencies. See the AZTECS Data Entry Guide for instructions on keying the AZTECS income screens.

DBME BEAM Job Aids

Dependent Child Earnings Desk Aid

Legal Authorities

7 CFR 273.9(c)(7)

R6-12-504(21)

Prior Policy

last revised 10/27/2025 effective 09/02/2025