

## .49 Military Income



This subject includes information about income received while serving in the military.

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### Policy

Military income is countable or not countable based on the type of pay and where the service member is stationed. Countable income is used to determine an income budget. FAA needs to know about income that is not countable to determine whether a budgetary unit's income is exceeding their expenses. (See [Income Eligibility](#) for more information about how FAA uses countable and not countable income.)

Military income includes, and is not limited to, **any** of the following:

- Base Pay
- Basic Allowance for Housing (BAH)
- Basic Allowance for Subsistence (BAS)
- Clothing Maintenance Allowance
- Combat Zone Pay
- Family Separation Allowance (FSA)
- Family Subsistence Supplemental Allowance (FSSA)
- Special and Incentive Pay

NOTE The acronyms above are normally used on pay statements.

### When Stationed Within Arizona

Income received for serving in the military while stationed in Arizona is considered earned income. The gross amount of pay, minus any income that is from a military pay type that is not countable, is countable earned income.

### When Stationed Outside of Arizona

When the service member is not a member of the budgetary unit, **any** of the following apply:

- Any portion of the military income that is available to the budgetary unit, minus any income that is from a military pay type that is not countable, is countable as unearned income.
- When a service member outside of the budgetary unit pays the mortgage, rent, or utilities directly to the company, the amount paid is considered vendor payment unearned income. (See [Vendor Payment Income](#) to determine whether the vendor payment is countable.)

For CA, when a service member stationed outside of Arizona is the parent and only away from home due to active military duty, the service member is a mandatory CA

participant and needs to be a member of the budgetary unit. The service member's gross amount of pay, minus any income that is from a military pay type that is not countable, is countable as earned income.

### **Not Countable Military Pay Types**

**Any** of the following are military pay types that are not countable:

- Combat zone pay received by a member of the United States Armed Forces is not countable when **all** of the following apply:
  - Received in addition to the service member's base pay
  - Received as a result of the service member's deployment to an area designated as a Federally designated combat zone
  - Not received by the service member before the service member's deployment to a Federally designated combat zone
- A clothing maintenance allowance received as a reimbursement is considered unearned income and is not countable.

NOTE When a military pay type that is not countable is combined with other military pay that is countable, FAA removes the amount that is not countable from the gross amount and only uses the countable amount for the income budget.

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### **Procedures**

Determine whether the service member is currently deployed to a combat zone. When the service member is deployed to a combat zone, determine whether combat zone pay is not countable. When the combat zone pay is determined as not countable, remove that amount from the gross income amount to determine what is countable based on policy. The combat zone pay is keyed separately from the countable income.

Review whether income is received for a clothing maintenance allowance and remove that amount from the gross income amount to determine what is countable based on policy. The clothing maintenance allowance is keyed separately from the countable income.

When needed, request verification of military income received. When the participant is not sure whether any of the pay is from a not countable pay type and verification cannot be provided, do not reduce the gross income.

When the participant is present, have them sign the Authority to Release (FAA-1765A) form to contact any companies or businesses involved. The FAA-1765A can be faxed or emailed to the participant's employer when it is not possible to use the Application for Benefits (FAA-0001A) or the HEAplus Authority to Release signed statement.

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### **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.)

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

- Reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- Changes 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 old.

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

Examples of verification that can be used for military income include, and are not limited to, **any** of the following:

- Checking account statement identifying a transfer of funds
- A copy of a paycheck stub
- Leave and Earnings Statement (LES)
- A signed statement from the service member providing the income provided they are not a member of the budgetary unit
- Participant statement verification when **one** of the following occur:

Obtaining documented or collateral contact verification may cause harm or undue [hardship\(g\)](#) for the participant.

When **all** of the following occur:

- Other attempts to obtain the verification have failed. This includes documented and collateral contact verification.
- The participant has requested assistance from FAA.
- The worker has evaluated the request for assistance and cannot obtain the verification from another acceptable source.
- The participant statement is not [questionable\(g\)](#).

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## AZTECS Keying Procedures

### Countable Income

Key the countable amount on **one** of the following:

- When the income is considered earned income, on EAIC using the MP Earned Income Type Code when **any** of the following apply:

The service member is stationed within Arizona

For CA, when the service member is a member of the budgetary unit

- When the income is considered unearned income, on UNIN or UNIC using the MS Unearned Income Type Code next to **one** of the following who are coded IN on SEPA:

The [spouse\(g\)](#) of the participant who is serving.

The non-serving parent of a common child.

The parent of a child, age 18 or younger, when the child is serving.

The participant to whom the income is made available.

NOTE Document the [case file\(g\)](#) with the reason the income is keyed next to the participant coded IN.

### Vendor Payment

See [Vendor Payment Income](#) to determine how to key the countable or not countable vendor payment amount.

### Combat Zone Pay

When the combat zone pay is countable, do not remove the amount from the gross income amount. Countable combat zone pay is not keyed separately.

When the service member is a member of the budgetary unit, key the combat zone pay on EAIC using the CZ Earned Income Type Code.

When the service member is not a member of the budgetary unit, key the combat zone pay on UNIN or UNIC next to **one** of the following who are coded IN on SEPA using the OX Unearned Income Type Code:

- The [spouse\(g\)](#) of the participant who is serving.
- The non-serving parent of a common child.
- The parent of a child, age 18 or younger, when the child is serving.
- The participant to whom the income is made available.

NOTE Document the [case file\(g\)](#) with the reason the income is keyed next to the participant coded IN.

### Clothing Maintenance Allowance

When the clothing maintenance allowance is countable because it is not a reimbursement, do not remove the amount from the gross income amount. Countable clothing maintenance allowance is not keyed separately.

Key the amount for the clothing maintenance allowance reimbursement on UNIN or UNIC using the OX Unearned Income Type Code.

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.

NOTE 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 normal. (See [Budgeting Income Documentation Requirements](#) for additional information.)

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### Legal Authorities

Code of Federal Regulations (CFR) Title 7 §273.9(b)(1)

Arizona Administrative Code (AAC) R6-12-503.36

### [Prior Policy](#)

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