

## 18. Income Tests

---

### 18.1 Gross/Net Income Tests [63-503.321, 63-301.6]

Households may be required to pass one or both of the following income tests to qualify for benefits:

- Gross Income (130%) /test
- Net Monthly Income (NMI) Test

Both tests are computed prospectively for the issuance period using reasonably certain income that is expected to be received in that certification period.

---

### 18.2 Separate Household Test for Elderly and Disabled Person [63-402.16, 63-1101.10]

An individual who is 60 years of age or older and his/her spouse who are living with others, may be a separate household if the individual is unable to purchase and prepare meals separately because he/she suffers from:

- A disability considered permanent under the Social Security Act; or
- A non-disease-related, severe, permanent disability (for example, injuries from a car accident), AND
- The total nonexempt gross income of the others with whom the individual lives (excluding the income of the individual's spouse) does not exceed 165% of the federal income poverty guidelines. [Refer to the Chart Book "[Elderly and Disabled Separate Household Test Limit](#)," page 1-1.]

This test is not automated. EWs must complete a manual budget. It does not have to be completed monthly, but should be completed:

- At application.
- At recertification.
- When household composition changes.
- When the household reports a change in the income of the other people in the home.

This test is applied to total gross income of others with whom a disabled elderly person and spouse live when the disabled elderly person is unable to purchase and prepare meals separately due to disability.

---

If the income of the others in the home is below the limit, the elderly and disabled person and spouse may be considered a separate household. [Refer to “Charts, Tables, and Miscellaneous,” page 2-1.]

## 18.3 Households Subject to Income Tests

Follow the chart below to determine what income test, if any, a household may be subject to.

HOUSEHOLD TYPE	REQUIRED INCOME TESTS		
	GROSS (130%)	NET (NMI)	SEPARATE HH (165%)
Categorically Eligible (CE)			
CE HHs classified as non-assistance (NA) because they include a GA recipient			
NA with at least one elderly or disabled member		X	
NA with no elderly or disabled members	X	X	
Others who live with a disabled elderly person and spouse, when the disabled elderly person is unable to purchase and prepare meals separately due to the disability			X

## 18.4 Gross Income (130%) Test for Change Reporting Households [63-502.1, 63-503.32, 63-1101.7]

[Refer to the Chart Book “Gross/Net Income Test Limits,” page 1-1 for the Gross Income (130%) Test Limits.]

This test is calculated prospectively based on the actual gross income anticipated for the Issuance Month. Follow the chart below to apply the Gross Income Test.

STEP	ACTION
1.	Determine that the household does not contain an elderly/ disabled household member. (If it does, the Gross Income Test does not apply.)
2.	Determine the estimated and/or anticipated income for the Issuance Month.

STEP	ACTION
3.	<p>Add the following income if it is reasonably certain to be received in the issuance month:</p> <ul style="list-style-type: none"> <li>Gross nonexempt earned and unearned income of all CF household members, (minus any legally obligated paid child support. [Refer to “Child Support [63-502(p)],” page 19-20])</li> <li>The household's <b>PRORATED</b> share of income from members excluded for failure to provide an SSN, or as an ineligible noncitizen or ineligible ABAWD.</li> <li>ALL income from members excluded for committing an IPV, being disqualified due to failure to meet work requirements or being a fleeing felon, drug felon, or parole/probation violator.</li> </ul>
4.	<p>Round the household's total gross income:</p> <ul style="list-style-type: none"> <li>Up if cents equal 50-90 cents.</li> <li>Down if cents equal 0-49 cents.</li> </ul>
5.	<p>Compare this sum to the Maximum Gross Income “Chart” [Refer to the Chart Book “Chart,” page 1-1]. Is gross income at or below the limit for the appropriate household size? If YES, the household passes the Gross Income Test. Now apply the Net Monthly Income Test. If NO, the household is ineligible based on excess income. Send a denial notice of action (NOA).</p>

## 18.5 Gross Income (130%) Test for Semi-Annual Reporting (SAR) Households [63-503.32]

[Refer to the Chart Book “Gross/Net Income Test Limits,” page 1-1 for the Gross Income (130%) Test Limits.]

This test is calculated prospectively based on the actual gross income anticipated for the Payment Period. Follow the chart below to apply the Gross Income Test.

STEP	ACTION
1.	Determine that the household does not contain an elderly/disabled household member. (If it does, the Gross Income Test does not apply.)

STEP	ACTION
2.	<p>Determine the estimated averaged income for the SAR Payment Period. To do so, add the following income if it is reasonably certain to be received during the SAR Payment Period.</p> <ul style="list-style-type: none"> <li>• Gross nonexempt earned and unearned income of all household members, minus any legally obligated paid child support. [Refer to “Child Support [63-502(p)],” page 19-20].</li> <li>• The household’s <b>PRORATED</b> share of income from members excluded for failure to provide a SSN, being an ineligible noncitizen or ineligible ABAWD for each month of the SAR period.</li> <li>• ALL income from members excluded for committing an IPV, being work requirement disqualified, being a fleeing felon, drug felon, or parole/probation violator for each month of the SAR Period.</li> </ul> <p>REMINDERS:</p> <ul style="list-style-type: none"> <li>• For stable income received weekly, multiply by 4.33 and for stable income received biweekly, multiply by 2.167.</li> <li>• For fluctuating income, use any additional routine paychecks (3rd check for those paid biweekly and 5th check for those paid weekly) that will be received during the SAR Period.</li> <li>• For self-employment income, use the net amount (i.e. the amount after the 40% standard deduction or actual business expenses have been deducted).</li> </ul>
3.	<p>Round the household's total gross income:</p> <ul style="list-style-type: none"> <li>• Up if cents equal 50-90 cents.</li> <li>• Down if cents equal 0-49 cents.</li> </ul>
4.	<p>Compare this sum to the Maximum Gross Income “Chart” [Refer to the Chart Book “Chart,” page 1-1]. Is gross income at or below the limit for the appropriate household size?  If YES, the household passes the Gross Income Test. Now apply the Net Monthly Income Test.  If NO, the household is ineligible based on excess income. Send a denial notice of action (NOA).</p>

## 18.6 Net Monthly Income Test for Change Reporting Households [63-503.31, 63-1101.6]

[Refer to the Chart Book “Gross/Net Income Test Limits,” page 1-1 for the Net Monthly Income Test Limits.]

This test is calculated prospectively based on the net nonexempt income of all household members which can be reasonably anticipated for the issuance month. Follow the steps below to apply the Net Monthly Income Test.

STEP	ACTION
1.	<p>Calculate the household's net monthly income using income that is reasonably certain to be received in the issuance month. Follow the "CalFresh Budget Worksheet" (DFA 285B), or "CalFresh Budget Worksheet Special Medical/Shelter Deductions" (DFA 285D) if the household contains an elderly/disabled member. Count:</p> <ul style="list-style-type: none"> <li>• Gross nonexempt earned and unearned income of all household members.</li> <li>• The household's prorated share of income from members excluded for ineligible noncitizen status, ineligible ABAWD status or failure to provide an SSN.</li> <li>• ALL income from members excluded for committing an IPV, being work requirement disqualified, or being a fleeing felon, drug felon, or parole/ probation violator.</li> <li>• An additional routine paycheck (3rd check for those paid biweekly and 5th check for those paid weekly).</li> <li>• Excess medical expenses and unlimited excess shelter and dependent care deductions if the household contains an elderly/disabled member.</li> </ul>
2.	<p>Round the household's total net monthly income:</p> <ul style="list-style-type: none"> <li>• Up if cents equal 50-99 cents.</li> <li>• Down if cents equal 0-49 cents.</li> </ul>
3.	<p>Compare the household's net monthly income to the Net Monthly Income "Chart" [Refer to the Chart Book "Chart," page 1-1]. Is net monthly income at or below the limit for the appropriate household size? If YES, the household passes the Net Monthly Income Test. Enter the net income determined above into the computer to determine benefits. IF NO, deny/discontinue the household because it does not pass the Net Monthly Income Test.</p>

## 18.7 Net Monthly Income Test for Semi-Annual Reporting Households [63-503.32, 63-1101.6]

[Refer to the Chart Book "Gross/Net Income Test Limits," page 1-1 for the Net Monthly Income Test Limits.]

This test is calculated prospectively based on the net nonexempt income of all household members which can be reasonably anticipated for the Payment Period. Follow the steps below to apply the Net Monthly Income Test.

STEP	ACTION
1.	<p>Calculate the household's averaged net monthly income using income that is reasonably certain to be received in the issuance month. Follow the "CalFresh Budget Worksheet" (SAR 285B), in computing the net monthly income.</p> <p>Add the following income if it is reasonably certain to be received during the payment period.</p> <ul style="list-style-type: none"> <li>• Gross nonexempt earned and unearned income of all household members for each month.</li> <li>• The household's PRORATED share of income from members excluded for ineligible noncitizen status, ineligible ABAWD status or failure to provide an SSN.</li> <li>• ALL income from members excluded for committing an IPV, being work requirement disqualified, being a fleeing felon, drug felon, or parole/probation violator for each month.</li> </ul> <p>For medical, child care and child care expenses, average the reasonably anticipated expenses over the certification period. To do so,</p> <ul style="list-style-type: none"> <li>• Add the amount anticipated for each month of the certification period.</li> <li>• Divide the total amount by the months in the certification period and use this averaged amount in the CalFresh budget.</li> </ul> <p>REMINDERS:</p> <ul style="list-style-type: none"> <li>• For stable income received weekly, multiply by 4.33 and for stable income received biweekly, multiply by 2.167.</li> <li>• For fluctuating income, use any additional routine paycheck (3rd check for those paid biweekly and 5th check for those paid weekly) that will be received during the certification.</li> <li>• For self-employment income, use the net amount (i.e. the amount after the 40% standard deduction or actual business expenses have been deducted).</li> <li>• Allow excess medical expenses and unlimited excess shelter if the household contains an elderly/ disabled member.</li> </ul>
2.	<p>Round the household's total net monthly income:</p> <ul style="list-style-type: none"> <li>• Up if cents equal 50-99 cents.</li> <li>• Down if cents equal 0-49 cents.</li> </ul>
3.	<p>Compare the household's net monthly income to the Net Monthly Income "Chart" [Refer to the Chart Book "Chart," page 1-1]. Is net monthly income at or below the limit for the appropriate household size? If YES, the household passes the Net Monthly Income Test. Enter the averaged gross income and averaged expenses determined above into the computer to determine benefits. IF NO, deny/discontinue the household because it does not pass the Net Monthly Income Test.</p>

---

## 18.8 Zero Benefits

It is possible for a household to pass both tests but have a Net Monthly Income at a level for which benefits are not issued. Such a household is not eligible, and receives the same notice of action generated for a household failing the Gross Income (130%) or Net Monthly Income Tests.

