

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION SCSEP
	CORRESPONDENCE SYMBOL OWI
	DATE December 28, 2006

**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 12-06**

**TO:** ALL SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM GRANTEEES

**FROM:** EMILY STOVER DeROCCO /s/  
Assistant Secretary

**SUBJECT:** Revised Income Inclusions and Exclusions and Procedures for Determining Senior Community Service Employment Program (SCSEP) Eligibility

1. **Purpose.** To provide administrative guidance on changes in the SCSEP income eligibility guidelines resulting from the enactment of Public Law 109-365.
2. **References.** Section 518(a)(3)(A) and (4) of the Older Americans Act (OAA) Amendments of 2006, Public Law 109-365; Training and Employment Guidance Letter (TEGL) 13-04 (Jan. 7, 2005).
3. **Background.** The law governing the SCSEP defines the term “eligible individual” to limit eligibility to individuals with a “low income.” To determine if an individual is “low income,” Department of Labor regulations provide that we will issue administrative guidance on income definitions and income exclusion and inclusion standards for eligibility purposes 20 CFR 641.500(a), 641.507(b). Current guidance on such standards is in TEGL 13-04. TEGL 13-04 generally follows the U.S. Census Bureau’s Current Population Survey (CPS) definition of income, but specifically excludes certain types of payments from the types of income to be included in determining participant eligibility. We are issuing new guidance to provide instructions on income exclusions and inclusions to be applied effective January 1, 2007, for the remainder of Program Year (PY) 2006.

The OAA Amendments of 2006 (P.L. 109-365) amend the current eligibility requirements by excluding certain payments from the “low income” component of the definition of “eligible individual.” These exclusions take effect on July 1, 2007. As described below, we have determined that it is beneficial to the SCSEP program to apply the new statutory exemptions to PY 2006 using our authority under current law to issue guidance on income exclusion and inclusion. Guidance consistent with this issuance will be incorporated in the Final Rule implementing the 2006 amendments.

RESCISSIONS	EXPIRATION DATE Continuing
-------------	-------------------------------

4. **Changes in the SCSEP Income Eligibility Guidelines.** To calculate income for purposes of SCSEP eligibility after July 1, 2007, which is the effective date of the 2006 SCSEP amendments, Public Law 109-365 mandates the following changes in procedures and income inclusions and exclusions.

- The statute mandates exclusion of any income that is:
  - Unemployment compensation
  - A benefit received under Title XVI of the Social Security Act Supplemental Security Income for the Aged, Blind and Disabled— e.g., Social Security Disability Insurance
  - Payment made to or on behalf of veterans or former members of the Armed Forces under the laws administered by the Secretary of Veterans Affairs
  - Twenty-five percent of a benefit received under title II of the Social Security Act, Federal Old-Age, Survivors and Disability Insurance
- For purposes of eligibility determinations, the statute defines "income" as income received during the 12-month period that ends on the date of application, or at the option of the grantee, the annualized income for the 6-month period that ends on the date of application.

Revised procedures for computing annual family income for SCSEP are detailed in Attachment II.

The Department believes that early implementation of these changes will result in more effective recruitment, fewer unexpended funds, improved performance outcomes, and greater opportunities for low income older individuals to secure unsubsidized employment. Accordingly, the Department decided to apply these exclusions and revised computation procedures to the current program year in order to alleviate the difficulties of recruiting sufficient numbers of eligible individuals under the current income eligibility guidelines.

5. **Clarification of Procedures.**

**Includable Income.** With certain exceptions, which will be delineated herein, the CPS official definition of "income" will govern the determination of SCSEP applicant eligibility. The CPS income sources that apply, as defined in Attachment I, are as follows:

- Earnings
- Benefits received under title II of the Social Security Act (of which seventy-five percent will be counted as includable income)
- Survivor benefits
- Pension or retirement income
- Interest income
- Dividends

- Rents, royalties, and estates and trusts
- Educational assistance
- Alimony
- Financial assistance from outside of the household
- Other income

**Excluded Income.** As noted above, the Department has decided to exclude, for purposes of eligibility determination, certain income sources that the CPS official definition of “income” includes. The Department based this decision to achieve consistency with the 2006 SCSEP amendments that will take effect July 1, 2007. These excluded income sources are:

- Social Security Disability Insurance
- Unemployment Compensation
- Twenty-five percent of a benefit received under title II of the Social Security Act
- Payment made to or on behalf of veterans or former members of the Armed Forces under laws administered by the Secretary of Veterans Affairs
- Supplemental Security Income
- Public assistance
- Income from other employment and training programs
- Disability benefits
- All forms of child support
- Workers’ compensation
- The first \$2,000 of certain per capita fund distributions that are made to Indians pursuant to the Indian Claims Act, P.L. 93-134 and P.L. 97-458.
- Any other income exception required by applicable Federal law-- e.g., stipends from programs funded by the Senior Corps of the Corporation for National and Community Service

The Department will also exclude, for purposes of SCSEP applicant eligibility, the same income sources that the CPS does not count in its official definition of income.

- Capital gains people received (or losses they incur) from the sale of property, including stocks, bonds, a house, or a car (unless the person engaged in the business of selling such property, in which case the CPS counts the net proceeds as income from self-employment)
- Withdrawals of bank deposits
- Money borrowed
- Tax refunds
- Gifts
- Lump-sum inheritances, insurance payments, gambling and lottery earnings

CPS definitions and explanations for all of the above-cited income inclusions and exclusions are detailed in Attachment I.

**Look-Back Period for Income.** The 2006 SCSEP amendments specify that low income status is to be computed by counting the includable income received by the

individual during the 12-month period ending on the date of SCSEP application or by counting the annualized income for the 6-month period ending on that date. As described above, we have determined that it is in the best interest of the SCSEP program to apply the 2006 SCSEP amendments computation procedures to the current program year. For PY 2006, grantees are required to determine whether to use the 6-month or the 12-month income look-back on a case-by-case basis, based upon which is more favorable to the applicant in determining eligibility. Determining whether the 6-month or the 12-month computation is best on a case-by-case basis may take slightly more time but it will insure the broadest possible inclusion of eligible applicants.

6. **Action Required.** SCSEP grantees must advise all staff that are responsible for income eligibility determinations about these new income eligibility requirements applicable to PY 2006.
7. **Effective Date.** January 1, 2007
8. **Rescission.** TEGL No. 13-04
9. **Inquiries.** Questions should be directed to the appropriate Federal Project Officer.
10. **Attachments.**

Attachment I, CPS Income Definitions and Explanations

Attachment II, Procedures for Computing Annual Family Income to Determine Income Eligibility for SCSEP