

**County of San Diego, Health and Human Services Agency (HHSA)  
Cash Assistance Program for Immigrants (CAPI) Program Guide**

**Earned Income**

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**99-103.3**

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**A. Background:**

Earned income includes:

- Wages
- Net earnings from self-employment
- Payments for services performed in a sheltered workshop or work activities center
- Royalties
- Honoraria.

**B. Policy:**

**1. Counting Earned Income:**

The table below shows when and how earned income is counted based on the type of income.

| <b>Type of Earned Income</b>      | <b>When/How Counted</b>   |
|-----------------------------------|---|
| Wages                             | Each month when received.   |
| Net earnings from self-employment | On a taxable year basis. The yearly total is divided by the number of months in the taxable year to arrive at the monthly earnings. |
| Other earned income               | When it is received or set aside for the employee's use.  |

**2. Earned Income Exclusions/Deductions:**

Earned income exclusions/deductions are applied in the order shown below:

1. Earned income excluded by Federal law
2. Up to \$10 of infrequent or irregular earned income
3. Up to \$400/month, but not more than \$1,620/year, for blind or disabled children regularly attending school
4. Any portion of the \$20/month general exclusion not applied against unearned income in the same month
5. Earned income exclusion of \$65/month
6. Earned income used to pay IRWE for disabled, but not blind, individuals under age 65 (see 3, below)
7. One-half of the remaining earned income in a month
8. Earned income used for BWE by blind individuals under age 65 (see 4, below)
9. Earned income used to fulfill an approved PASS for blind and disabled individuals under age 65 (see 5, below).

**3. IRWE:**

IRWE are expenses for items or services directly related to enabling a disabled (but not blind) person to work and which are necessarily incurred because of a physical or mental impairment. Typical expenses include medications and medical devices.

Deduct the amount if IRWE paid in a month from the gross earned income for that month.

To qualify as an IRWE, the:

- Individual must be under age 65
- Individual must have received CAPI benefits as a disabled individual for the month prior to age 65
- Expense must be reasonable

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- Expense must actually be paid and not reimbursable from another source (for example, Medicare, private insurance).

**4. BWE:**

Earned income used to meet any expenses reasonably attributable to the earning of income for a blind individual may be deducted from gross earnings as a BWE. The blind person must:

- Be under age 65 or
- Have received CAPI benefits as a blind individual for the month prior to age 65.

Some of the more common deductions include federal and state income taxes, cost of at-work meals, and transportation.

**5. PASS:**

A blind or disabled individual may set aside income or resources, and have them excluded, to fulfill a PASS. The individual must be under age 65 or have received CAPI benefits as a blind or disabled individual for the month prior to age 65. Social Security reviews and approves a PASS for SSI recipients. Workers will only see this for those individuals who previously received SSI and had a PASS approved during that time. Common examples of PASS money usage are vocational training, buying a vehicle, or buying computer equipment – any of which could reasonably be expected to assist the individual to become employed.

A PASS must:

- Be in writing
- Be approved by SSA
- Include provisions for keeping any money saved for a PASS separate from other resources
- Outline and ultimately verify how much money was spent.

**C. Procedure:**

Count earned income as stated in the policies above.

**Other Program Impacts:**

None.

**References:**

MPP 49-035.3 and 4

ACL 98-82

**Sunset Date:**

This policy will be reviewed for continuance on or by 05/31/2019

**Release Date:**

05/09/2016