

63-222 Earned Income

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63-222.1 Definition

Earned income is any income that requires the performance of work (wages, salaries, and self-employment).

63-222.2 Wages, Salaries and Self- employment Income

Wages, salaries and self-employment income include:

- A.** All wages and salaries of an employee.
- B.** Severance pay when the payments are made over a period of time. Severance pay made in one lump sum (non-recurring) payment is considered a resource in the month received.

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- C.** The gross income from a self-employment enterprise.

1. The total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business, can also be considered self-employment income.
2. Ownership of rental property will be considered as a self-employment enterprise; however, income derived from the rental property, will be considered earned income only if a member of the household is actively engaged in the management of the property at least an average of 20 hours a week. The "20 hours a week management" provision does not apply to a room rental situation.

3. Payments from roomers (room rentals) or boarders, except foster care boarders, will also be considered self-employment income.

To determine the net self-employment income for room rental or rental property the worker will ask the household to choose either a deduction of 40 percent of gross income or actual costs (cost of doing business) as explained in [Section 63-241.7](#).

The actual cost of doing business can be determined by calculating either the square footage or number of rooms rented out. Refer to Section [63-604, Income Q&A \(Determination of Room Rental Actual Expenses\)](#), for an example of how to determine the actual cost of doing business either by square footage or number of rooms.

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63-222.3
Training
Allowances &
On-the-job
Training
Programs

Count as earned income:

- A. Training allowances from vocational and rehabilitation programs recognized by federal, state, or local governments, to the extent they are not a reimbursement.
- B. Earnings of individuals who are participating in on-the-job training programs under Section 204(b) (1)(C) or Section 264(c) (1) (A) of the Workforce Investment Act except as specified in [63-224 Income Exclusions](#), or Title I of the National and Community Services Act (NCSA) of 1990. The NCSA includes programs under the Serve America, American Conservation and Youth Corps, and National and Community Service subtitles.

63-222.4
Title I, Volunteers
in Service to
America (VISTA)
Program
Payments

Count as earned income, payments to volunteers under Title I Volunteers in Service to America Program (VISTA) of the Domestic Volunteer Service Act (AmeriCorps*VISTA) received by new applicants who were not receiving CalFresh, or public assistance, at the time they joined VISTA.

Refer to [Section 63-225.15](#) for Title I of the Domestic Volunteer Services Act payments, which are excluded as income,.

See [AmeriCorps desk aid](#), in Section [63-650.5](#)

63-222.5

Count as earned income, any portion of strikers' benefits, which are

Strikers' Benefits received as compensation for picketing.

63-222.6
Work Study
Income

Count as earned income, work study income which has not been excluded by federal statute, as specified in Section [63-224.10](#), or through application of allowable exclusion as specified in Section [63-224.6](#).

63-222.7
Wages Held by
an Employer and
Pay Advances

Count as earned income, wages held at the request of the employee in the month the wages would otherwise have been paid by the employer.

A. Do not count wages as income when an employer holds wages without the consent of the employee unless:

1. The household anticipates that it will ask for and receive a wage advance; or
2. The household anticipates that it will receive wages previously held by the employer, and the wages have not previously been counted as income.

Count wage advances only when they are reasonably expected to be received ([63-282.3-5](#)).
