

## Family and Income Definitions

### 1305.2

**Family**, for a child, means all persons living in the same household who are:

(1) Supported by the income of the parent(s) or guardians of the child enrolling or participating in the program,

**and**

(2) related to the parent(s) or guardians by blood, marriage, or adoption;

**Or**

(3) The child's authorized caregiver or legally responsible party.

### 1305.2(i) and ACF-IM-HS-08-05

**Income** means total cash receipts **before taxes** from all sources, with the exceptions noted below. Income includes money wages or salary before deductions; net income from non-farm self-employment; net income from farm self-employment; regular payments from Social Security or railroad retirement; payments from unemployment compensation, strike benefits from union funds, workers' compensation, veterans benefits (with the exception noted below), public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, Emergency Assistance money payments, and non-Federally funded General Assistance or General Relief money payments); training stipends; alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments; college or university scholarships, grants, fellowships, and assistantships; and dividends, interest, net rental income, net royalties, and periodic receipts from estates or trusts; and net gambling or lottery winnings.

As defined here, **income does not include** capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house or a car; or tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are noncash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied non-farm or farm housing; and such Federal non-cash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance, and certain disability payments made to disabled children of Vietnam veterans as prescribed by the Secretary of Veterans Affairs.

### **Military Exceptions:**

Section 645(a)(3)(A) of the new Head Start Act requires that certain types of pay and allowance to members of the uniformed services not be counted as income for purposes of determining Head Start eligibility. Specifically, the following two pay/allowances are to be **excluded** when determining Head Start eligibility:

1. The amount of any special pay payable under section 310 of title 37, United States Code, relating to duty subject to hostile fire or imminent danger.
2. The amount of basic allowance payable under section 403 of title 37, including any housing allowance. (Please see Section 645(a)(3)(ii) of the Head Start Act for the full statutory language.)
3. In addition, under 37 U.S.C. 402 a (g), the child or spouse of a member of the armed forces (Army, Navy, Air Force, Marine Corps, and Coast Guard) receiving a "supplemental subsistence allowance" who, except on account of such allowance, would be eligible to receive a service provided under the Head Start Act, shall be considered eligible for such benefits notwithstanding the receipt of the allowance. The subsistence allowance would therefore not be counted in determining eligibility for programs authorized by the Head Start Act.

### **Relevant Time Period means:**

- (1) the twelve months immediately preceding the month in which application or reapplication for enrollment of a child in a Head Start program is submitted;
- or
- (2) , During the calendar year preceding the calendar year in which the application or reapplication is submitted, whichever more accurately reflects the needs of the family at the time of application.