
CAPLAW

Community Action Program Legal Services, Inc.

Income Eligibility Q&A

Question:

Do either the one-time \$250 economic recovery payment to recipients of Social Security, SSI, Railroad Retirement and Veterans Disability Compensation Benefits or Making Work Pay Tax Credit payments count as income for purposes of determining a client's income eligibility for various CAA programs?

Answer:

No. *Neither* the one-time \$250 economic recovery payment to recipients of Social Security, SSI, Railroad Retirement and Veterans Disability Compensation Benefits *nor* Making Work Pay Tax Credit payments are considered income for purposes of eligibility for benefits or assistance under any federal program or any state or local program funded in whole or in part with federal funds.

In particular, ARRA provides that the one-time \$250 economic recovery payment to recipients of Social Security, SSI, Railroad Retirement and Veterans Disability Compensation Benefits "shall not be regarded as income and shall not be regarded as a resource for the month of receipt and the following 9 months, for purposes of determining the eligibility of the recipient (or the recipient's spouse or family) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds." [Pub. L. No. 111-5, § 2201\(c\), 123 Stat. 115, 452 \(2009\)](#).

ARRA further specifies that the Making Work Pay Tax Credit "shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following 2 months, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds." [Pub. L. No. 111-5, § 1001\(c\), 123 Stat. 115, 311-12 \(2009\)](#).

You can also refer to the February 17, 2010 CSBG [Information Memorandum No. 119](#), which provides guidance for implementing the Making Work Pay Tax Credit.