

INTERPRETIVE MEMO

Reach Up Rule Interpretation

Procedural Instruction

This memo remains effective statewide until it is specifically superseded – either by a subsequent memo or by a contradictory rule with a later date.

Please file in your manual facing the page indicated below.

Facing page 2271.3 **Effective date of this memo** 2/1/2017 **Page** 1 of 1

This memo: **is new** **Replaces one dated** _____

Question: If someone makes payments to a third party (e.g., landlord, utility company, loan holder) on behalf of the assistance group, do these payments count as unearned income?

Answer: Payments to a third party on behalf of an assistance group do not count as income if the payment is not otherwise owed to the assistance group. Continue to include a housing allowance in the budget for incurred shelter expenses even if the assistance group's shelter expenses are being paid by someone else.

Example 1: Mary's father pays \$200 each month toward Mary's car loan lender. These payments are excluded.

Example 2: John's employer diverts a portion of his paycheck to pay his utility bill directly. These payments count as income because they are part of John's wages.

Example 3: Sara's grandfather pays the total rent of \$500 to Sara's landlord. These payments are excluded as income, but the housing allowance is still included in the budget.