

**Pinal County Workforce Development Board (PCWDB)
Policy Broadcast (PB)
PCWDB PB 21-2
WIOA Title I-B Adult, Dislocated Worker, and Youth Programs
Income Calculations and Use of the Lower Living Standard Income Level Matrix
Effective July 15, 2021**

Policy Broadcast (PB) 21-2 provides policy to the PCWDB's Workforce Innovation and Opportunity Act (WIOA) Title I-B service providers on income calculation for WIOA Title I-B Youth Program eligibility, WIOA Title I-B Adult Priority of Service, and WIOA Title I-B Dislocated Worker Program for purposes of determining interim employment. This PB is to inform service providers of the intended use of the Lower Living Standard Income Level Income (LLSIL) Matrix for each WIOA Title I-B program.

References:

- Arizona Department of Economic Security (DES) WIOA Title I-B Policy Broadcast 18-016

WIOA defines LLSIL as the income level determined annually by the U.S. Department of Labor (USDOL) Secretary based on the most recent lower living family budget issued by the Secretary (adjusted for regional, metropolitan, urban, rural differences and family size).

Each year, DES disseminates the LLSIL Matrix after income levels are calculated for metropolitan and non-metropolitan areas, and adds the income levels to the AJC System. This matrix includes:

- A. The poverty guideline (poverty line), as published by the U.S. Department of Health and Human Services (HHS)
- B. Seventy percent of the LLSIL income levels, as determined by the U.S. Department of Labor (DOL), Employment and Training Administration; and
- C. Self-sufficiency income levels as percentage of the LLSIL, as defined in the Pinal County Workforce Development Plan. In Pinal County, the self-sufficiency income levels are used in the definition of "underemployment".

The LLSIL Matrix can be found online at the following [link](#).

.01 Low Income Criteria

- A. The DOL provides the LLSIL guidelines each year to determine low income status for WIOA Title I-B Adult Program priority of service and Youth Program eligibility purposes as described in the WIOA of 2014. The definition of "low income individual" in WIOA 3(36) pertains to an individual who qualifies as low

income under various criteria, including individuals whose total family income does not exceed the higher of the poverty line or 70 percent of the LLSIL.

- B. WIOA Section 3(36) outlines the criteria for service providers to use when determining whether an individual is low income. Service providers may use whichever income level is higher.
 - 1. The poverty guidelines, as published by the U.S. Department of Health and Human Services (DHHS), and
 - 2. 70 percent of the LLSIL by DOL Employment and Training Administration.
- C. Low income determinations are used to determine program eligibility for the WIOA Title I-B Youth Program, and priority of service for the WIOA Title I-B Adult Program. The WIOA Title I-B Adult Program does not have income eligibility requirements but income is calculated to determine the participant's priority group, refer to PB 21-1.

.02 LLSIL Matrix Procedures to determine Low Income Status

Service Provider staff must adhere to the following procedures for the proper use of the LLSIL Matrix.

A. Determination of low income status

In order to use the LLSIL Matrix, service provider staff must first determine the individual's family size and the family's income.

- 1. Family is defined as two or more related by blood, marriage, or decree of court, who are living in a single residence, and are included in one or more of the following categories:
 - a. A married couple and dependent children;
 - b. A parent or guardian and dependent children; or
 - c. A married couple (20 CFR 675.300).
- 2. For the definition of family, Dependent is defined as a child who is:
 - a. Age 18 and under at the end of the previous calendar year; or
 - b. Age 18 and under at the end of the previous calendar year and was a student.
- 3. When an individual is not living in a single residence with other family members the Individual is not considered a member of the family for the purpose of WIOA Title I-B income calculation
- 4. Regardless, of residence and/ or citizenship, anyone claimed as a dependent on another person's Federal income tax return for the previous year must be

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- presumed part of the person's family for the current year. To negate, this assumption the person who was claimed as the dependent for income tax purposes is required to provide information that demonstrates the person is no longer financially dependent.
5. Runaway youth, emancipated youth and court adjudicated youth separated from family through an involuntary temporary residence elsewhere (e.g., incarcerated, placed as result of court order) must not be classified as a dependent.
 6. The individual was a student if he or she was enrolled as a full-time student during any of the 5 months of the previous calendar year. The course must have been provided by a school, state, county or local government. A school includes technical and mechanical schools, but does not include OJT.
- B. Service provider staff must use the most current LLSIL Matrix to determine low income status. Low income status is determined for the WIOA Title I-B Adult and Youth Program as follows:
1. **For the WIOA Title I-B Adult Program** Service providers must use the "HHS Poverty Guidelines" or the "70 percent LLSIL" column, whichever is higher, for the individual's family size, to determine if the participant is considered low income for priority of service.
 - a. **If the participant is not determined to be low income, he or she may still receive WIOA Title I-B individualized career services and training services on a priority basis if he or she is a recipient of public assistance, or basic skill deficient. Individuals who are recipients of public assistance or basic skill deficient-regardless of income levels-also meet WIOA Title I-B Priority of Service requirements.**
 - b. **A participant's income level is not an eligibility criterion for the Adult Program, but service providers are required to determine low income status as it is one of the priority groups under WIOA.**

- c. **If the participant provides documentation of receipt of public assistance, service providers must not collect additional income documentation.**
 - d. **A participant's priority of service must be determined prior to providing individualized career services or training services.**
 - e. Refer to PB 21-1 WIOA Title I-B Priority of Service for a list of Priority of Service Groups, and the order of Priority Groups, and for requirements for serving individuals who do not meet priority of service requirements.
 - f. **75 percent of all individuals who receive individualized career services and training services must be low income, recipients of public assistance or basic skill deficient.**
2. For the WIOA Title I-B Youth Program:
- a. All **in-school youth** must be low income, unless they are included in the 5 percent low income exception ([PCWDB WIOA Title I-B Youth Program Policy, section 506.07](#)). To determine if the youth is low income:
 - i. Service provider staff must use the most current LLSIL Matrix to determine low income status.
 - ii. Service provider staff must use the "HHS Poverty guidelines", or the "70 percent LLSIL" column, for the youth's family size to determine low income status.
 - iii. If the youth's family income is more than the amount on either the "HHS Poverty guidelines" Column, or the "70 percent LLSIL" column, the youth does not meet the low income requirement for the WIOA Title I-B Youth Program, and must not be enrolled.
 - iv. If the youth's family income is less than the amount on either "HHS Poverty guidelines" column or the "70 percent LLSIL" column, the youth does meet low income requirements for the WIOA Title I-B Youth program and may be enrolled.
 - b. For **out-of-school** youth, low income requirements only apply to recipients of a secondary diploma (High School Diploma or High School Equivalency diploma) who are either:
 - i. Basic Skills Deficient; or
 - ii. English language learners; or
 - iii. Youth who meet PCWDB's definition of "Requires additional assistance" to enter an educational program or secure employment must be low income (See [Exhibit 500A Youth Who Require Additional Assistance](#)).

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PCWDB PB 21-2
WIOA Title I-B Adult, Dislocated Worker, and Youth Programs
Income Calculations and Use of the Lower Living Standard Income Level Matrix
Effective July 15, 2021**

- c. For out-of-school youth who are required to be low income:
 - i. If the youth's family income is more than the amount on either the "HHS Poverty guidelines" Column, or the "70 percent LLSIL" column, the youth does not meet the low income requirement for the WIOA Title I-B Youth Program, and must not be enrolled.
 - ii. If the youth's family income is less than the amount on either "HHS Poverty guidelines" column or the "70 percent LLSIL" column, the youth does meet low income requirements for the WIOA Title I-B Youth program and may be enrolled.
 3. The WIOA Title I-B Dislocated Worker Program does not have any low income requirements.
 4. Income levels in the AJC System are for informational purposes only, and do not prevent enrollment of individuals whose income is above the LLSIL Income levels in the system, except for in-school youth, and out-of-school as described in 2b whose family income level is above the threshold.
 5. When a participant lives outside Pinal County, the AJC system displays LLSIL income levels for the Local Workforce Development Area where the participant resides, in this case service provider staff must disregard the income levels in the AJC, and use the LLSIL Matrix for Pinal County. Use of the LLSIL Matrix Pinal County must be used consistency for income calculations for all individuals served by the WIOA Title I-B programs in Pinal County.
- C. Included/ Excluded Income

Service Providers must calculate the family's income. The chart below includes types of income that are included and excluded in the calculation. The family's income must be annualized.

<u>Included Income</u>	<u>Excluded Income</u>
Alimony	Cash payments under Federal, State, or local income-based public assistance programs
Child support payments	Veteran's severance pay
College or university grants, fellowships, assistantships (excluding needs-based scholarships and the Pell grant)	Temporary Assistance for Needy Families (TANF) payments
Net royalties and period receipts from estates and trusts	Foster child care payments
Gross wages/ salaries (before deductions), including wages earned from On-the-Job Training and wages earned while on reserve duty	Capital gains
Net receipt from non-farm self-employment receipts an individual's own incorporated business, professional enterprise, or partnership) after deductions for business expenses	Supplemental Security Income (SSI) from the Social Security Administration
Interest and Dividends	Any assets drawn down as withdrawals from a bank, sale of property, a house or a car
Military family allotment or other regular benefits from an absent family member	Tax refunds
Net winnings from gambling or lottery	One-time gifts, loans, and lump sum inheritances
Unemployment Insurance payments	One-time insurance payments such as

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PCWDB PB 21-2
WIOA Title I-B Adult, Dislocated Worker, and Youth Programs
Income Calculations and Use of the Lower Living Standard Income Level Matrix
Effective July 15, 2021

	those from an accident, death, or casualty
Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper) after deductions of farm operating expenses	Non-cash in-kind benefits such as: employer paid fringe benefits, food stamps, Medicare, Arizona Health Cost Containment System (AHCCCS), school meals, fuel, food or housing received in lieu of wages
Social Security Retirement (regular payments)	Need-based financial aid (Pell grant and other scholarships)
Survivor insurance benefits under section 202 of the Social Security Act	Income earned while on active duty or certain other veteran's benefits such as compensation for service connected disability, compensation for service-connected death, vocational rehabilitation and educational assistance
Social Security Disability Insurance (SSDI) (regular payments)	
Railroad retirement	
Training Stipends (Needs-related payments)	
Pensions (such as private, government, military retirement)	
Net rental income	

.03 Unemployment and Underemployment

The WIOA Title I-B Adult Program provides services to both unemployed and underemployed individuals. The Adult program also focuses on serving individuals who have barriers to employment, as defined in WIOA 3(24).

A. Unemployment

PCWDB adds to “Unemployed Veterans and Eligible spouses” and “unemployed non-veterans” as additional priority groups served under the WIOA Title I-B Adult Program.

1. All individuals who are unemployed must be evaluated for the WIOA Title I-B Dislocated Worker Program, and be served under the WIOA Title I-B Dislocated Worker program if eligible.
2. For Priority Groups 3 and 4:
 - a. Other family member’s income is **not** counted when determining priority of service; and
 - b. The last six months of applicant’s income is **not** considered when determining priority of service.
3. The participant’s Unemployment Insurance income is included in the income calculation.
 - a. When earnings are varied and include periods of unemployment individuals, an Interim Work Method must be used to annualize income by adding as much income information as available.
 - b. Income from all Unemployment Insurance Programs are counted for WIOA Title I-B income calculations purposes.
 - c. A maximum of 26 weeks of Unemployment Insurance benefits may only be counted WIOA Title I-B Income calculations. Only income from the participant’s remaining weeks may be considered. If the participant is on receiving Extended Benefits Unemployment Insurance or another type of Unemployment Insurance Program only remaining payments prior to the program’s expiration date may be considered.
 - d. Service providers must not wait for the Unemployment Insurance Program to determine eligibility for the Unemployment Insurance to calculate income.

B. Underemployment

The WIOA Title I-B Adult Program-

- a. **If the participant is employed**, service provider staff must determine:

Pinal County Workforce Development Board (PCWDB)

Policy Broadcast (PB)

PCWDB PB 21-2

WIOA Title I-B Adult, Dislocated Worker, and Youth Programs

Income Calculations and Use of the Lower Living Standard Income Level Matrix

Effective July 15, 2021

- i. If the participant is employed either full or part-time, with a current annualized wage not exceeding 80% of their wages at the dislocation from their most recent employment; or
 - ii. If their earned wages are at or below the self-sufficiency threshold as identified in most current LLSIL Matrix published by the Arizona Department of Economic Security.
- b. Alternatively, the service provider program manager may consider an individual “underemployed” and approve individualized career services and training services for an individual whose family income is more than the PCWDB approved self-sufficiency threshold in the AJC system and as identified on the LLSIL Matrix published by the Arizona Department of Economic Security when the participant has at least one barriers to employment as defined in WIOA 3(24), and he or she will benefit from WIOA Title I-B Adult Program services (Priority Group 5 or 6).
- c. If it is determined the participant is underemployed, they may be enrolled in the WIOA Title I-B program, as long as they meet eligibility criteria, in the order of priority in PCWDB PB 21-1.
2. The WIOA Title I-B Dislocated Worker Program-
- a. When an individual has returned to work after a layoff, service provider staff must determine if the individual’s new employment may be considered interim employment, to determine if the participant is eligible for the Dislocated Worker program based on his/her employment where he or she was laid off.
 - b. Service providers must determine if the participant’ employment is considered interim employment by considering if:
 - i. The participant is employed either full or part-time, with a current annualized wage not exceeding 80% of their wages at the dislocation from their most recent employment, or
 - ii. The participant’s earned wages are at or below the self-sufficiency threshold as identified in most current LLSIL Matrix published by the Arizona Department of Economic Security.

- c. If the service provider determines the individual's current employment is considered interim employment, he or she may be enrolled in the WIOA Title I-B Dislocated Worker program as long as he or she meets eligibility requirements.

Note: Due to a temporary coding issue in the AJC system, income levels in the Total Income section of the AJC system displays as 160% of the LLSIL rather than the PCWDB approved level of 159%. Service providers may use the self-sufficient income levels provided in the AJC system (160%) for "underemployment" determination purposes.

If you have any questions regarding PCWDB's WIOA Title I-B Adult, Dislocated Worker or youth policies or requirements in this PB, email moriah.robles@pinal.gov.