

## ACF Programs and Increased Income from the CARES Act

This document summarizes information for State and Tribal human services leaders on interactions between certain income provided under the CARES Act and aspects of select ACF programs. This document summarizes existing information from each program office listed below regarding the treatment of (1) stimulus payments (also referred to as recovery rebates or economic impact payments)<sup>1</sup> and (2) unemployment compensation<sup>2</sup> provided under the CARES Act for purposes of eligibility determination in these ACF programs, or for purposes of setting and enforcing child support orders.

If additional information becomes available, it will be added to this summary.

### Child Care Development Fund (CCDF)

#### CARES Act Income Source

#### Treatment for Eligibility or Co-Payment Calculations

#### Economic Impact Payment

A CCDF Lead Agency should not consider the economic impact payments as income for CCDF eligibility or co-payment calculations. These payments count as a rebate or advance payment of a credit that are exempted as income. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409, and specifies that, “... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, 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.”

<sup>1</sup> Section 2201 of the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act \(P.L. 116-136\)](#) provides recovery rebates to individuals in response to the Coronavirus Disease 2019 (COVID-19) pandemic.

<sup>2</sup> Section 2104 of the [CARES Act](#), created Federal Pandemic Unemployment Compensation, which provides an additional \$600 per week to individuals who are collecting regular state or Federal UC, through weeks of unemployment ending on or before July 31, 2020.

**Unemployment Compensation**

CCDF Lead Agencies have the flexibility to decide whether to disregard Unemployment Compensation (UC) benefits under the CARES Act as income or resources when determining CCDF eligibility and family co-payment amounts. For the purposes of determining CCDF eligibility and co-payment amounts, a Lead Agency may treat the UC benefits from the CARES Act differently from the way it treats regular UC benefits. Lead Agencies also have flexibility in treatment of regular UC benefits. Lead Agencies should amend their CCDF Plan with respect to such changes.

**Temporary Assistance for Needy Families (TANF)**

**CARES Act Income Source**

**Treatment for Eligibility Purposes**

**Economic Impact Payment**

A state or tribe should not consider the economic impact payments as income for TANF eligibility or benefit calculations. These payments count as a rebate or advance payment of a credit that are exempted as income. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409, and specifies that, “... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, 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.”

**Unemployment Compensation**

States and tribes have the flexibility to decide whether to disregard Unemployment Compensation (UC) benefits under the CARES Act as income or resources when determining TANF eligibility and benefit amounts. For the purposes of determining TANF benefits, a state or tribe may treat the UC benefits from the CARES Act differently from the way it treats regular UC benefits. Additionally, a state or tribe may want to consider changing its treatment of regular UC benefits, temporarily during the pandemic or long term. Please be sure to keep your state or tribal TANF plan up to date with respect to such changes.

## Child Support Enforcement (Title IV-D)

CARES Act Income Source	Treatment for Withholding or Setting and Modifying Orders
<p><b>Economic Impact Payment</b></p>	<p>OCSE issued <a href="#">DCL-20-02</a> Economic Impact Payments under the Coronavirus Aid, Relief, and Economic Security (CARES) Act on April 13, 2020, which provided:</p> <p>While the Act intentionally exempts these economic impact payments from reduction or offset against certain debts, there is no exemption for child support debt. As a result, the economic impact payments made to eligible noncustodial parents who owe past-due child support and who are subject to intercept under the Federal Income Tax Refund Offset Program will be offset by the amount of past-due child support. Because these economic impact payments are treated as a tax refund offset, and not an administrative offset, the Act does not provide states the option to suspend federal tax refund offset in cases meeting the eligibility criteria under section 464 of the Social Security Act and 45 CFR 303.72.</p>
<p><b>Unemployment Compensation</b></p>	<p>The state and tribal child support guidelines define income. 45 CFR 302.56 requires states to establish one set of child support guidelines for setting and modifying child support orders. These state set guidelines are to take “into consideration all earnings and income of the noncustodial parent”. 45 CFR 309.105 requires that tribes establish one set of child support guidelines for setting and modifying child support orders. The tribal guidelines must take into account “the earnings and income of the noncustodial parent”.</p>

## Low Income Housing Energy Assistance Program (LIHEAP)

CARES Act Income Source	Treatment for Eligibility Purposes
<p><b>Economic Impact Payment</b></p>	<p>LIHEAP grantees should not consider the economic impact payments (up to \$1,200 for qualifying individuals and an additional \$500 per child) as income for eligibility. These payments count as a rebate or advance payment of a credit that are exempted as income. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409, and specifies that, "... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, 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."</p>
<p><b>Unemployment Compensation</b></p>	<p>With respect to the supplemental CARES Act-funded unemployment compensation payments, each LIHEAP grantee retains the authority under the federal LIHEAP statute to define "income" for the purpose of determining income eligibility for the program, in accordance with how each grantee treats income for state-funded assistance programs (42 USC 8624(b)(2) and 45 CFR 96.30(a)).</p> <p>Therefore, each LIHEAP grantee must decide whether to include or exclude such CARES-Act funded supplemental unemployment compensation payments from the LIHEAP income eligibility calculation. If a grantee rule allows it, grantees may treat these supplemental payments differently than the regular Unemployment Insurance Benefits.</p>

## Community Services Block Grant Program (CSBG)

### CARES Act Income Source

### Treatment for Eligibility Purposes

#### Economic Impact Payment

CSBG grantees should not consider the economic impact payments (up to \$1,200 for qualifying individuals and an additional \$500 per child) as income for eligibility. Section 103(d) of the American Taxpayer Relief Act amended the relevant statutory provision, 26 U.S.C. § 6409. This section specifies that, "... any refund (or advance payment with respect to a refundable credit) made to any individual under this title shall not be taken into account as income, and shall not be taken into account as resources for a period of 12 months from receipt, 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."

<https://www.govinfo.gov/content/pkg/USCODE-2015-title26/pdf/USCODE-2015-title26-subtitleF-chap65-subchapA-sec6409.pdf>

#### Unemployment Compensation

The CSBG Act does not define income for the purposes of determining eligibility. CSBG grantees (states, tribes, and territories) have the authority to determine what income is included in household income for eligibility. The HHS block grant rules require states to treat CSBG in the same manner that they treat their own funds (45 CFR 96.30(a)).