
**DEPARTMENT
POLICY**

Bridges establishes the SER countable income period and determines the SER group's net countable income based on the application date and entry of income information in the data collection screens. Self-employment and unearned income must be entered using paydates that fall within the 30 day SER period to be budgeted. See ERM 208, Budget Computation, for policy on determining the group's SER financial eligibility and their required copayments.

**COUNTABLE
INCOME PERIOD**

The SER budget computation period is 30 days. This is referred to as the countable income period. The first day of the countable income period is the date the local office receives a signed application for SER.

Example: The local office receives a signed application on November 16. The countable income period is November 16 through December 15.

**COUNTABLE
INCOME**

Verify and budget all nonexcluded gross income the SER group expects to receive during the countable income period. **Do not prorate income.**

**Unearned
Income
Examples**

- FIP and SDA.
- Social Security benefits (RSDI/SSI) use the net amount received.

Note: Do not count reimbursement of Medicare premiums.

- SSI State Supplemental payments. Refer to Reference Schedules Manual (RFS) Item 106, State SSI Payment Payroll Deadline Schedule.

Note: Budget the actual amount if it is expected to be received in the countable income period. (For example, do not budget \$14 per month as a prorated amount.)

- Alimony, child support and child support participation payments.
- VA benefits, except clothing allowance or the court ordered amount for aid and attendance.
- Lump sum payments of accumulated monthly benefits.
- Payments from sick and accident insurance plans.
- Pensions and retirement benefits.
- Unemployment benefits, railroad unemployment benefits, and other governmental unemployment benefits.
- Worker's compensation.
- Strike benefits.
- Income received from the sale of property.
- Military allotments.
- Investment income, such as dividends, interest and royalties paid directly to the client.
- Income from annuities, bonds, stocks and trusts.
- Refugee Resettlement Funds. If a client receives resettlement funds, email the policy mailbox at Policy-SER, Policy-SER-DHS@michigan.gov.
- Adoption subsidy payments.
- Guardianship Assistance Program (GAP) payments.

Earned Income Examples

- Earnings from work as an employee (wages, salary, college work-study, commissions, tips).
- Earnings from self-employment.

- Training allowances paid to persons enrolled in sheltered work-shops.
- Rental income, room and board.
- Chore services payments to providers.

EXCLUDED INCOME

Do not count or verify income from the following sources:

- Income of non-responsible group members in burial cases.
- Reimbursement of Medicare premiums.
- Income in kind (not in the form of cash).
- Earned income of a dependent child (see ERG Glossary for a definition of dependent) when both of the following conditions are met:
 - The accumulated earnings are held in a savings account of which the dependent child who earned the money is the sole owner.
 - The accumulated earnings are not commingled with money from any other source; see ERM 205, Assets.
- Michigan Homestead Property Tax Credit and Home Heating Credit.
- Earned Income Credit.
- All services program benefits paid by the department on behalf of an SER group member (such as foster care payments).
- Income of the SER applicant's spouse when the applicant is in an emergency shelter as a victim of domestic violence.
- Reimbursement for past, current or future training-related, medical or volunteer expenses.
- Compensation awarded for a particular use (such as Victim's Compensation Award).
- Disaster relief assistance.

- Child care payments and allowances made by DHS.
- Housing assistance that is paid pursuant to any state or federal law. Examples include:
 - Title II of the Uniform Relocation and Real Property Acquisition Act of 1970.
 - U.S. Housing Act of 1937.

This includes Experimental Housing Allowance Program made under Annual Contribution Contracts entered into prior to January 1, 1975.
 - National Housing Act.
 - Section 101 of the Housing and Urban Development Act (HUD) of 1965.
- Educational grants, scholarships and benefits.
- Michigan Department of Community Health family support subsidy payments.
- WIC program benefits.
- Title VII nutrition program for the elderly.
- LIHEAP energy assistance benefits.
- Child nutrition and school lunch benefits.
- Food assistance benefits.

**INCOME
EXPENSES
Unearned
Income**

Net unearned income must be determined by deducting all of the following from the gross amount received:

- Mandatory withholding taxes.
- Court ordered child support paid, including arrears, but not more than the amount ordered by the court. No deduction is made for paid, voluntary child support.

- Payments for health insurance.
- Medicare premiums that will not be reimbursed.

Earned Income

Net income from employment or self-employment must be determined by deducting allowable expenses of employment from the gross amount received.

Note: SER does not allow deductions for garnishment actions or expenses of **producing** self-employment income (such as capital expenditures, labor costs, transportation costs while on the job, materials, loan and property payments, taxes, insurance, etc.).

Expenses of employment are **limited** to the following:

- Mandatory withholding taxes (25 percent of the gross).
- Deductions required by the employer as a condition of employment.
- Deductions for health insurance.
- Court-ordered child support paid, including arrears, but not more than the amount ordered by the court. No deduction is made for paid, voluntary child support.
- The cost of dependent care for either of the following:
 - A dependent child who is less than 13 years old.
 - A person who is 13 years old or older who needs care due to a mental or physical impairment.

Deduct the unsubsidized cost of care or \$200, whichever is less for each person qualifying for care. The cost of dependent care must not be allowed as a deduction from the earnings of more than one member of the SER group.

Do not deduct the cost of child care if caregiver is any of the following persons:

- A member of the SER group.
- A responsible relative of the employed person or of the person who needs care.
- A dependent relative of the employed person.

- A person who is not a member of the SER group, if the care can be provided reasonably and safely by one of the following persons living in the home:
 - A member of the SER group.
 - A responsible relative of the employed person or the person who needs care.
 - A dependent relative of the employed person.

SER INCOME NEED STANDARDS

Group Size	Income Need Standard
1	\$445
2	\$500
3	\$625
4	\$755
5	\$885
* 6	\$1015
* Groups larger than 6 persons: Add \$100 for each additional person.	

VERIFICATION

Verify all non-excluded income, expenses and deductions. For energy services, income verification used in the current eligibility determination for any other DHS program may be used if available. If not available, income must be verified; see ERM 301, Energy Services.

Unearned Income

Acceptable methods of verification include:

- Written statements from the department, organization or person administering the payment, which shows the monthly amount of the benefit, the amount of deductions, and confirming whether or not the deductions are mandatory.
- Recipient award letters if dated within the last 60 days.

- Copies of checks or check stubs if dated within the last 60 days.
- Electronic data exchange with reliable income source.

Earned Income

- Pay stubs.
- DHS-38, Verification of Employment.
- Written statements of the employer.
- Business receipts.
- Accounting and other business records for self-employed persons.
- Written statements of persons paying money to an SER group member in cases where the SER group member provides child care, chore services, room and board, or other services for pay.
- Electronic data exchange with reliable income source.

LEGAL BASE

MAC R400.7001 et seq.