

# **Kansas Administrative Regulations**

## **Kansas Department for Children and Families**

### **Article 4.—Public Assistance Program**

#### **30-4-111. Income.**

(a) "Income" shall mean the amount of earned and unearned income that is subtracted from the benefit standard in determining the benefit amount for TANF.

(b) Earned income for persons included in the assistance plan shall equal gross earned income or the adjusted gross earned income from self-employment, less the following items:

(1) Ninety dollars for each employed person;

(2) the earned income disregard of 60 percent of the remaining income, for the following persons in a TANF or foster care assistance plan:

(A) Each applicant who had received assistance in one of the four preceding months; and

(B) each recipient; and

(3) reasonable expenses for child care or expenses for the care of an incapacitated person. The dependent shall be included in the family group before the deduction is allowed.

(c) For self-employed persons, adjusted gross earned income shall equal gross earned income less costs of the production of the income. Income-producing costs shall include only those expenses directly related to the actual production of income. A standard deduction of 25 percent of gross earned income shall be allowed for these costs. If the person wishes to claim actual costs incurred, the following shall be used by the department in calculating the cost of the production of the income:

(1) The public assistance program shall not be used to pay debts, set up an individual in business, subsidize a nonprofit activity, or treat income on the basis of internal revenue service (IRS) policies.

(2) If losses are suffered from self-employment, the losses shall not be deducted from other income, nor may a net loss of a business be considered an income-producing cost.

(3) If a business is being conducted from a location other than the applicant's or recipient's home, the expenses for business space and utilities shall be considered income-producing costs.

(4) If a business is being conducted from a person's own home, shelter and utility costs shall not be considered income-producing costs unless they are clearly distinguishable from the operation of the home.

(5) If payments increase the equity in equipment, vehicles, or other property, the payments shall not be considered income-producing costs.

(6) If equipment, vehicles, or other property is being purchased on an installment plan, the actual interest paid may be considered an income-producing cost.

(7) Depreciation on equipment, vehicles, or other property shall not be considered an income-producing cost.

(8) Insurance payments on equipment, vehicles, or other property shall be allowed if the payments directly relate to the business.

(9) Expenses for items that are reasonable and required for the business shall be considered income-producing costs.

(10) Wages and other mandated costs related to wages paid by the applicant or recipient shall be considered income-producing costs.

(d) The income for a person in the home whose income is required to be considered and who is not included in the assistance plan shall equal all nonexempt, unearned income and gross earnings, or adjusted gross earnings of the self-employed, without the application of any income disregards, unless otherwise prohibited by federal law or regulation or state or local law or regulation.

(e) The income of an alien's sponsor and the sponsor's spouse shall be considered in determining eligibility and the amount of the assistance payment for the alien.

(f) All net unearned income of persons included in the assistance plan shall be income unless exempted. Net unearned income shall equal gross unearned income less the costs of the production of the income. Income-producing costs shall include

only those expenses directly related to the actual production of income. The requirements in subsection (c) regarding the calculation of income-producing costs shall apply.

(g) Each household that is ineligible for TANF due to excess income, which shall include earnings, shall be eligible for the work incentive payment for five months from the date of ineligibility for TANF.

(h) Any household that has never received TANF or a diversion payment may be eligible for the diversion payment if all of the following conditions are met:

(1) No adults in the family are receiving SSI.

(2) At least one adult in the family has employment or a valid offer of employment.

(3) The family's TANF benefit for a one-year period is not less than the diversion payment divided by 12 months.

(4) The family has a documented crisis or emergency that jeopardizes existing employment, including established self-employment, or prevents the family from accepting a valid offer of employment.

(Authorized by K.S.A. 2018 Supp. 39-708c; implementing K.S.A. 2018 Supp. 39-708c and 39-709; effective May 1, 1981; amended, E-82-19, Oct. 21, 1981; amended May 1, 1982; amended, T-83-17, July 1, 1982; amended May 1, 1983; amended, T-85-26, Oct. 15, 1984; amended May 1, 1985; amended May 1, 1986; amended May 1, 1987; amended, T-88-10, May 1, 1987; amended, T-88-59, Dec. 16, 1987; amended May 1, 1988; amended Oct. 1, 1989; amended Jan. 2, 1990; amended May 1, 1991; amended, T-30-11-16-93, Dec. 1, 1993; amended Jan. 3, 1994; amended March 1, 1997; amended July 1, 1997; amended July 1, 1998; amended Jan. 1, 1999; amended May 3, 2019.)

\*\*\*\*\* Authenticated Kansas Administrative Regulation \*\*\*\*\*