TITLE 468  AID TO DEPENDENT CHILDREN

CHAPTER 2  ELIGIBILITY REQUIREMENTS

001. ELIGIBILITY REQUIREMENTS. The following elements of eligibility must be met:

(A) Application;
(B) United States citizenship or alien status;
(C) Nebraska residence;
(D) Social Security number;
(E) Relative responsibility;
(F) Age requirement for a dependent child;
(G) Resources;
(H) Income;
(I) Cooperation with the Child Support Enforcement;
(J) Cooperation with Employment First, including the development of a Self-Sufficiency Contract;
(K) Cooperation in obtaining third party medical payments; and
(L) Other related requirements listed in Section 13 of this Chapter.

001.01 TIME-LIMITED PROGRAM. For families who are subject to Employment First requirements, Aid to Dependent Children is a time-limited program.

002. APPLICATION. An application must be completed and submitted by an individual for himself or herself, by the applicant’s guardian or conservator, by an individual acting under a duly executed power of attorney, or by a specified relative applying on behalf of, or for, a child(ren).

002.01 INTERVIEW. An interview is required at initial application and at least once every 12 months following initial application. Individuals may request a face-to-face interview.

003. CITIZENSHIP AND ALIEN STATUS. In order to be eligible for Aid to Dependent Children, an individual’s status must be verified as one of the following:

(A) A citizen of the United States;
(B) Qualified aliens as defined in Section 431 of the Immigration and Nationality Act (INA):
   (i) An alien who was admitted as a lawful permanent resident (LPR) and has resided in the United States for at least five calendar years from the date of entry or who has worked or can be credited with 40 qualifying quarters of work;
   (ii) A refugee admitted to the United States under Section 207 of the Immigration and Nationality Act;
   (iii) An asylee under Section 208 of the Immigration and Nationality Act;
(iv) Victims of a severe form of trafficking (Victims of Trafficking and Violence Protection Act of 2000);
(v) An alien whose deportation is withheld under Section 243(h) of the Immigration and Nationality Act;
(vi) An alien from Cuba or Haiti who was admitted under Section 501(e) of the Refugee Education Assistance Act of 1980;
(vii) A refugee who entered the United States before April 1, 1980, and was granted conditional entry;
(viii) An alien who has been battered or subjected to extreme cruelty in the United States by a spouse or a parent or by a member of the spouse’s or parent’s family who is residing in the same household as the alien; but only after having resided in the United States for at least five calendar years from the date of entry or who has worked or can be credited with 40 qualifying quarters of work. A child of a battered alien meeting these requirements is also eligible.

(C) Iraqi and Afghan aliens granted special immigration status;
(D) An Amerasian immigrant under Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations act of 1988, as amended;
(E) An alien with past or current military involvement defined as an alien veteran who is on active duty, other than active duty for training, with any of the United States Armed Forces units or who has been honorably discharged, not on account of alienage, and who has fulfilled minimum active-duty service requirements. Minimum active-duty is defined as 24 months or the period for which the person was called to active duty. The spouse or unmarried dependent child of an alien veteran as described in this paragraph is also eligible;
(F) An alien who is paroled into the United States under Section 212(d)(5) of the Immigration and Nationality Act but only after having resided in the United States for at least five calendar years from the date of entry or who has worked or can be credited with 40 qualifying quarters of work.

004. RESIDENCE. To be eligible for assistance, an individual must be a Nebraska resident. A resident is defined as an individual living in the state voluntarily with the intent of making Nebraska his or her home and begins with the month the individual moves into the state. Migrants and itinerant workers are considered residents of Nebraska if they are living in Nebraska and entered the state to seek employment or to fulfill a job commitment.

004.01 TEMPORARY ABSENCE. Eligibility of a resident may not be terminated because of that individual’s temporary absence from the state if the individual intends to return when the purpose of the absence has been accomplished, unless another state has determined that the individual is a resident there for assistance purposes.

004.02 LOSS OF STATE RESIDENCE. Eligibility for assistance ends if the unit leaves Nebraska with the intent of establishing its home in another state.

004.03 DISQUALIFICATION FOR MISREPRESENTING RESIDENCE. Any person convicted in federal or state court of having fraudulently misrepresented his or her residence in order to obtain Temporary Assistance for Needy Families in two or more states is ineligible for Temporary Assistance for Needy Families for ten years from the date of conviction. Only
the individual convicted of the misrepresentation is ineligible; other members of the family or household may receive benefits.

005. REQUIREMENT OF A SOCIAL SECURITY NUMBER (SSN). All members of the Aid to Dependent Children unit must furnish their Social Security Number. Individuals who are not included in the unit, but are financially responsible, must furnish their Social Security Number.

005.01 INDIVIDUALS WHO HAVE NOT BEEN ISSUED A SOCIAL SECURITY NUMBER. Individuals who have not been issued a Social Security Number must apply for a Social Security Number within 30 days of being notified of the requirement.

005.01(A) INDIVIDUALS WHO DO NOT PROVIDE A SOCIAL SECURITY NUMBER. When a financially responsible individual does not provide a Social Security Number, the entire Aid to Dependent Children case is closed. When a child’s Social Security Number is not provided, the child’s needs are removed from the Aid to Dependent Children unit.

006. REQUIRED LIVING ARRANGEMENT. To be eligible to receive Aid to Dependent Children, a dependent child must be living in the home of a specified relative, conservator, or guardian, unless removed from that home by judicial determination (see, Title 479).

006.01 DEFINITION OF A HOME. A home is defined as the family setting maintained or in the process of being established by the specified relative, guardian or conservator who is standing the place of the parent, as shown by the assumption and continued acceptance of responsibility for the child. Usually the dependent child shares the same household with the specified relative, guardian or conservator. A home exists, however, as long as the specified relative, guardian or conservator exercises responsibility for the care and control of the dependent child, even though circumstances may require the temporary absence of either from the customary family setting.

006.02 ABSENCE BECAUSE OF SCHOOLING. If school facilities which meet the needs of the particular child are not available in the community, the child’s absence from home for the purpose of attending school does not affect eligibility.

006.03 TEMPORARY ABSENCE FROM THE HOME. A child is still considered part of the household while he or she is out of the home for a visit not to exceed three months. A child is still considered part of the original household while he or she is on summer visitation.

006.04 TEMPORARY ABSENCE DUE TO EMERGENCY SITUATIONS. In emergency situations that deprive the child of a specified relative’s, guardian’s, or conservator’s care, temporary plans may be made to care for the child in the home of an individual or institution acting in the place of the specified relative, guardian, or conservator. The unit may continue to receive assistance for the period of the emergency or the time actually required to make new arrangements for care, but the assistance must not continue beyond 180 days unless the child is out of the home due to his or her hospitalization.

006.05 ABSENCE DUE TO INCARCERATION. If an Aid to Dependent Children unit no longer contains a specified relative, guardian, or conservator due to their incarceration, the Aid to Dependent Children case is closed for the next possible month. The incarcerated individual
is ineligible to be included in the Aid to Dependent Children unit or be a payee for an Aid to Dependent Children unit.

007. UNIT SIZE. The Aid to Dependent Children unit size is based on the number of eligible family members or individuals and determines the appropriate standard of need and payment standard during the budgeting process.

007.01 STANDARD FILING UNIT. The parent does not have a choice of whom he or she wants to include in the grant unit. All parents and their dependent children, as well as all siblings who meet the definition of a dependent child, must be included in the grant unit except:

(A) An unborn child during the first two trimesters of the mother's pregnancy;
(B) Recipients of Supplemental Security Income, State Disability Program, or Aid to the Aged, Blind, or Disabled;
(C) Sanctioned individuals;
(D) Undocumented aliens;
(E) An alleged father when the parents are unmarried and paternity has not been established;
(F) A parent and his or her child when unmarried parents are living together, have a child in common, and the household does not qualify for a grant as a single unit;
(G) Department wards, children of Department wards, and children who are receiving an adoption or guardianship subsidy; and
(H) Individuals serving an Intentional Program Violation Disqualification.

007.02 ELIGIBILITY OF A SPECIFIED RELATIVE, GUARDIAN OR CONSERVATOR, OTHER THAN A PARENT, TO BE INCLUDED IN THE UNIT. In household’s where a parent is not present, only one specified relative, guardian, or conservator may be included in the unit. Income of the spouse of a specified relative, guardian, or conservator must be included when determining eligibility for the unit.

007.03 INDIVIDUALS LIVING AS A FAMILY WITHOUT A PARENT. If a non-parent specified relative, guardian, or conservator requests assistance for more than one child in the household, all children for whom assistance is requested must be included in a single unit.

007.04 JOINT CUSTODY. In a household where both parents are not continuously present, but the non-custodial parent has sufficiently frequent contact with the child(ren) so that the normal parental roles of providing guidance, physical care, and maintenance have not been interrupted, both parents will be included in the Aid to Dependent Children unit.

007.05 MINOR’S PARENT RECEIVING AID TO DEPENDENT CHILDREN. If a minor parent is living with his or her parent who is receiving Aid to Dependent Children for another child, the minor parent must be in his or her parent’s unit. If assistance is received for the minor’s child, that child must also be in the minor’s parent’s unit.

007.06 MINOR PARENT LIVING WITH A NON-PARENT SPECIFIED RELATIVE, GUARDIAN, OR CONSERVATOR. If a minor parent is living with a non-parent specified relative, guardian, or conservator who is receiving Aid to Dependent Children for another child, the minor parent must be in the same unit. If assistance is received for the minor’s child, that child must also be included in the unit.
007.07 MINOR’S PARENT NOT RECEIVING CATEGORICAL ASSISTANCE. If a minor is living in his or her parent’s home and the parent is not receiving categorical assistance, the minor may apply for assistance for himself or herself and his or her child. Since the minor’s parent is considered responsible for the minor, income of the minor’s parent’s over 300 percent of the Federal Poverty Level for the household must be deemed to the minor parent and the child. For the purposes of determining the 300 percent Federal Poverty Level, the household includes the minor’s parent and any 18-year-old or younger siblings of the minor parent.

007.08 WARD. If a ward who is receiving a foster care payment is in the home of an Aid to Dependent Children unit, the ward is not included in the unit and his or her income is not included when determining eligibility for the unit.

007.08(A) CHILD OF A WARD. If a ward who is receiving a foster care payment has a child living with him or her in a foster home, group home, or child caring institution, the ward’s child may receive a separate foster care grant. The ward’s child is not eligible for a grant from Aid to Dependent Children funds. Neither the ward nor the ward’s child is included in the foster family’s Aid to Dependent Children unit.

007.09 ADOPTED CHILD. If a family has an adopted child for whom they are receiving an adoption subsidy administered by the Department, the child is not included in the Aid to Dependent Children unit and the subsidy is not included when determining eligibility for the unit.

007.10 ELIGIBLE DEPENDENT CHILD. In order to be eligible for Aid to Dependent Children, a dependent child must meet the applicable requirements as determined by their age:

1. Unborn beginning with the first day of the mother’s third trimester through age 15;
2. Age 16 or 17, registered and attending full-time a secondary school, college, or university or a course of vocational or technical training designed to fit him or her for gainful employment, including a participant in the Job Corps Program;
3. Age 18 through the entire month of their 19th birthday, registered and attending full-time secondary school or in the equivalent level of vocational or technical training.

007.10(A) FULL-TIME STUDENT. A full-time student must have a school schedule that is equal to full-time curriculum for the school he or she is attending, as defined by the school district.

007.10(B) CONTINUED ENROLLMENT. Enrollment is considered continued through normal periods of class attendance, vacation, and recess unless the student graduates, drops out, is suspended or expelled, or does not intend to register for the next normal school term, excluding summer school.

007.11 SCHOOL ATTENDANCE REQUIREMENT. Minors age 15 or younger who have not graduated from high school and who are dependent children or parents in an Aid to Dependent Children unit are required to attend school. Aid to Dependent Children benefits will be reduced $50 for each dependent child or minor parent who, without good cause, has accumulated a number of unexcused absences from school sufficient to jeopardize the student’s academic progress, and the Aid to Dependent Children specified relative or guardian or conservator in
the unit has not taken reasonable steps to encourage the child to improve his or her attendance. The $50 sanction is imposed only on a specified relative or guardian or conservator who is in the unit. If a 16-year-old child is removed from the unit, the grant is reduced by the amount of one individual, but the $50 sanction is no longer imposed.

007.11(A) Good cause exemptions from the unexcused absences include but are not limited to the following:
(i) The student is expelled from school and alternative public schooling is not available;
(ii) The minor has a child three months of age or younger;
(iii) No child care is available for the child of a minor;
(iv) Prohibitive transportation problems exist; or
(v) Chronic illness of the minor.

007.11(B) Steps to encourage attendance. Examples of reasonable steps taken by a specified relative, guardian, or conservator to encourage attendance include but are not limited to:
(1) Attending conferences with school officials;
(2) Cooperating with school officials;
(3) Providing a home environment conducive to school attendance;
(4) Ensuring enrollment;
(5) Assisting the child in such activities as meeting transportation, nutritional, and dress needs.

007.11(B)(i) Verification. Statements from the specified relative, guardian, or conservator are sufficient verification that the responsible adult is making reasonable efforts to encourage attendance.

007.11(C) Lifting the sanction. If the student demonstrates satisfactory attendance according to the school, the sanction may be lifted before any subsequent grading period. The benefit payments must be reinstated after a subsequent grading period in which the child has substantially improved his or her attendance.

008. Resources. Resources may include real and personal property. The total equity value of available, non-exempt resources of the Aid to Dependent Children unit is determined and compared with the established maximum for available resources which the Aid to Dependent Children unit may own and still be considered eligible. If the total equity value of available, non-exempt resources exceeds the established maximum, the unit is ineligible for a grant. Equity value equals the fair market value, the price at which it could be sold, minus all encumbrances. Examples of encumbrances include mortgages, liens, taxes, and estimated selling expenses.

008.01 Resource limit. The resource limit is $4,000 for a single individual and $6,000 for two or more individuals. In order for a resource to be countable it must be considered available and not excluded. The equity value of the countable resource is used.

008.01(A) Verification of resources. When the total amount of countable resources indicated by the unit is $1500 or more, verification must be provided.
008.02 **AVAILABILITY OF A RESOURCE.** A resource is considered available when an individual owns or has access to the resource.

008.03 **UNAVAILABILITY OF A RESOURCE.** Regardless of the terms of ownership, if the resource is unavailable to the individual in the Aid to Dependent Children unit, the value of that resource is not used in determining eligibility. An applicant or recipient must file in county court for the maximum elective share of a deceased spouse’s augmented estate as specified in Neb. Rev. Stat. sections 30-2313 and 30-2314.

008.04 **EXCLUDED RESOURCES.** The following are excluded resources:

(A) Real property which the unit owns and occupies as a home;
(B) Goods used in the home;
(C) Clothing;
(D) One motor vehicle if it is used for employment or medical transportation;
(E) Certain trusts, including guardianships, set up for one or more of the children in the Aid to Dependent Children unit;
(F) The cash value of life insurance policies;
(G) Certain life estates in real property;
(H) Irrevocable burial trusts up to $3,000 per individual and the interest if irrevocable;
(I) Proceeds of an insurance policy that is irrevocably assigned for the purpose of burial of an individual in the Aid to Dependent Children unit;
(J) Burial spaces;
(K) Funds set aside by the Veterans Administration under the Veterans Education and Employment Assistance Act for the Future education expenses of a veteran;
(L) Payments from the Indian Claims Commission;
(M) Income received annually, semi-annually, or quarterly which is prorated on a monthly basis and included in Aid to Dependent Children eligibility determination. This is excluded over the period of time it is considered income;
(N) Stocks, inventories, and supplies used in self-employment;
(O) United States savings bonds are excluded for the initial six-month mandatory retention period;
(P) An unavailable job-related retirement account that is held by the employer;
(Q) The unspent portion of any Retirement, Survivors Disability Insurance or Supplemental Security Income retroactive payments are excluded for six months following the month of receipt;
(R) An Individual Development Account set up for postsecondary education, purchase of an individual’s first home, or establishment of a business; and
(S) Disregarded income.

008.05 **RESOURCES OF AN INELIGIBLE OR SANCTIONED INDIVIDUAL.** The resources of all unit members, sanctioned or undocumented alien parents, and sanctioned 16 or 17-year-olds, are used in determining eligibility. The ineligible or sanctioned individual is allowed Aid to Dependent Children resource exclusions. After resource exclusions, the remaining resource amount is counted in the resource total for the eligible unit members.

008.06 **DETERMINATION OF OWNERSHIP OF RESOURCES.** A resource which appears on record in the name of an individual must be considered belonging to that individual.
008.06(A) JOINTLY OWNED RESOURCES. When an individual in the unit has a jointly owned resource that is considered available, the following will apply:

008.06(A)(i) RESOURCES OWNED WITH OTHER INDIVIDUALS RECEIVING CATEGORICAL ASSISTANCE. If an individual in the unit owns a resource with another individual who is receiving categorical assistance, the value of the resource is divided by the number of owners, regardless of the terms of ownership. The appropriate value is counted for each unit.

008.06(A)(ii) RESOURCES OWNED WITH OTHER INDIVIDUALS NOT RECEIVING CATEGORICAL ASSISTANCE. If an individual in the unit owns a resource with an individual who is not receiving categorical assistance, the appropriate value is determined in accordance with the following regulations:

008.06(A)(ii)(1) JOINT TENANCY. As a general rule, the words "and/or" or "or" appearing on a title or other legal contract denote joint tenancy. This means that either owner could sign and turn the resource to cash without the other; therefore, the total resource is considered available to either owner.

008.06(A)(ii)(2) TENANCY IN COMMON. The term "and" generally refers to tenancy in common in which each owner holds an undivided interest in the resource without rights of survivorship to the other owner(s). Only the proportionate share based on the number of owners of the resource is available to each owner.

008.07 CONSIDERATION OF FINANCIAL RESPONSIBILITY. When an individual has financial responsibility for an individual in another assistance unit and the responsible individual owns the resource(s), the value of the resource(s) is divided by the number of assistance units to determine the amount to be counted in each. An Assistance to the Aged, Blind, or Disabled or State Disability Program couple is considered one unit.

008.08 TYPES OF RESOURCES. Resources can be divided into two categories: liquid and non-liquid.

008.08(A) LIQUID RESOURCES. Liquid resources are assets that are in cash or financial instruments which are convertible to cash.

008.08(B) NON-LIQUID RESOURCES. Non-liquid resources are tangible properties which need to be sold if they are to be used for the maintenance of an individual.

009. INCOME. Income is considered when determining eligibility for Aid to Dependent Children.

009.01 EARNED INCOME. Earned income is money received from wages, tips, salary, commissions, profits from activities in which an individual is engaged as a self-employed person or as an employee. It also includes earnings over a period of time for which settlement is made at one given time, as in the instance of farm crops or poultry. Earnings so received are prorated for the same number of ensuing months as was included in the earning period.
Reimbursement for employment-related expenses such as mileage, lodging, or meals is not considered earned income.

009.01(A) EARNED INCOME DISREGARDS. The following disregards are considered when determining eligibility for Aid to Dependent Children:

009.01(A)(i) SELF-EMPLOYMENT DISREGARD. Self-employment income is allowed disregards to gross income before application of the disregards applied during the Aid to Dependent Children payment calculating process.

009.01(A)(i)(1) STANDARD DISREGARD FOR SELF-EMPLOYMENT. For individuals in the Aid to Dependent Children unit who incur expenses related to producing goods or services but provide no tax return to document such expenses, the Department applies a standard disregard of 49% to the gross income and does not calculate actual expenses.

009.01(A)(i)(2) ITEMIZED DISREGARDS FOR SELF-EMPLOYMENT. For individuals in the Aid to Dependent Children unit who incur operating expenses related to producing goods or services which are itemized on their tax return, the actual allowable operating expenses are deducted from gross income.

009.01(A)(ii) CHILD CARE DISREGARD. If an individual in the Aid to Dependent Children unit requires child care in order to participate in education, training or employment, a referral for Child Care Subsidy payment of child care is made. If the individual or the child care arrangements do not qualify for Child Care Subsidy payment or the individual chooses not to receive child care through Child Care Subsidy, the actual cost of child care is disregarded from earned income up to the maximum allowed.

009.01(B) EARNED INCOME CREDIT (EIC). Some low income wage earners are eligible for a tax credit which may be paid in one of two forms:
(i) Advanced Earned Income Credit (AEIC) – a periodic credit paid with the employee’s wages; or
(ii) Earned Income Credit (EIC) – an amount claimed as a credit when filing a federal income tax return.

009.01(C) CONTRACTUAL INCOME. Income paid on a contractual basis will be prorated over the number of months covered under the contract, even if the individual is paid in fewer months than the contract covers.

009.02 UNEARNED INCOME. Unearned income is any cash benefit that is not the direct result of labor or services performed by the individual as an employee or a self-employed person. If an individual in the Aid to Dependent Children unit receives a benefit for an individual who is not in the unit and does not give the benefit to the individual, it is counted as income to the individual in the Aid to Dependent Children unit.
009.02(A) CHILD, SPOUSAL, AND CASH MEDICAL SUPPORT. Child, spousal, and cash medical support are considered unearned income only in the following circumstances:

1. Initial eligibility and payment are being determined. Any support paid by the Nebraska Child Support Payment Center or received directly by the client before the approval date is considered;
2. An excess disbursement of support; and
3. Distributed arrearages collected for months where the custodial parent was not an Aid to Dependent Children recipient.

009.02(A)(i) CHILD SUPPORT PAID FOR A MINOR PARENT. If a noncustodial parent pays support for his or her child and that child is a minor parent who is receiving assistance, child support is treated as follows. If the parent of the minor is not receiving assistance and:

1. Gives the child support to the minor parent, the child support is treated as unearned income in the minor’s grant; or
2. Does not give the child support to the minor parent, the child support:
   a. Is included in the deeming process if the minor is living with his or her parent; or
   b. Is not counted in the budget of the minor parent if he or she is living independently.

009.02(B) CONTRIBUTIONS. Some monetary contributions to the household are considered as unearned income available to meet the family’s basic needs.

009.02(B)(i) FROM AN INDIVIDUAL NOT IN THE HOUSEHOLD. If an individual who is not living in the household gives money to the unit, the income must be counted in the budget. The following are not considered contributions:

1. Direct vendor payments for shelter;
2. Energy assistance;
3. Emergency assistance;
4. General Assistance;
5. Crisis assistance from a community agency, service agency, or an individual; or
6. Any other payments to a third party made on behalf of the household unit.

009.02(B)(ii) FROM AN INDIVIDUAL IN THE HOUSEHOLD. The standard of need is not reduced when a self-supporting individual and an individual in the Aid to Dependent Children unit are living in the same household; however, money received by an individual in the Aid to Dependent Children unit in exchange for room and board is considered income.

009.02(C) SUPPLEMENTAL SECURITY INCOME (SSI) BENEFITS. Supplemental Security Income benefits are considered unearned income but the Supplemental Security Income payment is not used when determining eligibility for the Aid to Dependent Children unit.
009.03 LUMP SUM BENEFITS. Lump sums are not considered income. Any unspent remainder is considered a resource in the month following the month of receipt or report. If an individual in the unit receives several checks from the same source in one month, the amounts are totaled and considered a lump sum. When a unit receives a lump sum in the month of application, the lump sum is counted in the first month possible.

009.03(A) EXCEPTION. The unspent portion of a Retirement, Survivors, and Disability Insurance or Supplemental Security Income retroactive payment is excluded for six months following the month of receipt.

009.04 REQUIREMENT TO APPLY FOR POTENTIAL INCOME BENEFITS. Potential income is defined as income based on entitlement or need which is usually determined by an administering agency as a result of an application for benefits by the individual. A recipient, other than a child who is a full-time student, is required to apply for and accept benefits within 60 days after being notified of their possible eligibility and provide verification of such. If the individual fails or refuses to make application within 60 days after notification or refuses to accept benefits for which he or she has been determined eligible, ongoing eligibility for Aid to Dependent Children cannot be determined and the case will be closed.

009.04(A) VETERAN’S BENEFITS. Recipients who are veterans, their spouses, and the widows of veterans may be eligible for Aid and Attendance services. This service may be available and is to be explored if the individual is in a nursing home, residing in his or her own home, in an Adult Foster Home, or other alternate arrangement when the individual requires aid with daily living activities.

009.05 INTERCEPTED, WITHHELD, OR GARNISHED INCOME. Procedures have been set up to withhold unemployment compensation benefits payable to an absent parent when he or she has a debt to the State. If income, earned or unearned, is being garnished, the garnishment is not deducted from income to determine eligibility. If unearned income is being reduced because of a previous overpayment, the amount of the benefit before the deduction of the overpayment is considered as income.

009.05(A) EXCEPTION. The amount after deduction of the overpayment is used if the recipient received both Aid to Dependent Children and the other benefit at any time during which the overpayment occurred and the overpaid amount was included in the Aid to Dependent Children budget.

009.06 INCOME OF AN INELIGIBLE OR SANCTIONED INDIVIDUAL. The income of sanctioned or undocumented alien parents and sanctioned 16 or 17-year-olds is used in determining eligibility for Aid to Dependent Children.

009.07 SELF-EMPLOYMENT TERMINATION. When an individual engages in different types of self-employment, it is not considered a termination of income if the individual stops one type of work.

009.08 INCOME AS IT APPLIES TO RESOURCES. Income received by an individual during any one month for maintenance costs must not be considered a resource for that month. Any income not spent for maintenance is considered a resource in the subsequent month.
009.09 EXCLUDED INCOME. The following are excluded forms of income:

(A) Earnings of a child age 18 or younger and in school;
(B) Indian Land Lease;
(C) Department of Housing and Urban Development (HUD) rental and utility subsidies under Section 8 of the Housing Act, including lump sums or monthly payments;
(D) $10 a month per individual for each of the following income types:
   (i) Declared cash winnings;
   (ii) Interest and dividends (may be prorated on a monthly basis);
   (iii) A gift that marks a special occasion;
   (iv) Small insignificant children’s cash allowances;
   (v) Income from securities and investments; and
   (vi) Interest on Series H savings bonds and other bonds which pay dividends or interest.
(E) Home produce from garden, livestock, and poultry used by the household for their own consumption;
(F) Income received from foster care payments;
(G) Payments from Title I Workforce Innovation and Opportunity Act (WIOA) for classroom training;
(H) Earnings for a student received from the employer or compensation in lieu of wages under a Title I Workforce Innovation and Opportunity Act program;
(I) Title I Workforce Innovation and Opportunity Act program allowance paid to the individual or vendor payments made to the provider for supportive services such as transportation, meals, special tools, and clothing. This includes temporary Welfare-to-Work payments and work experience payments made through Workforce Development;
(J) Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
(K) Any student financial assistance;
(L) A bona fide loan from any source;
(M) Payments to an individual participating in training or school attendance subsidized by the Division of Vocational Rehabilitation;
(N) Supplemental Nutrition Assistance Program (SNAP);
(O) The value of federally donated foods;
(P) Indian judgment funds distributed as per capita payments to members of Indian tribes or held in trust by the Secretary of the Interior, interest and investment income accrued on Indian judgment funds while held in trust, and purchases made with the funds;
(Q) Payments from the Nutrition Program for the Elderly (NPE);
(R) Payments for services or reimbursement of expenses to volunteers serving as foster grandparents, senior health aides, or senior companions, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE) and any other programs under Title II and III (Public Law 93-113);
(S) Federal and state income tax refunds;
(T) Payments to AmeriCorps volunteers;
(U) For the first six months, the unspent portion of retroactive Retirement, Survivors Disability Insurance (RSDI) benefits (counted as a resource after six months);
(V) Energy payments;
(W) The value of assistance from a Child Nutrition Act or National School Lunch Program;
(X) Earned Income Tax Credit (EIC);
(Y) Advanced Earned Income Credit (AEIC);
(Z) Income from Experience Works Senior Community Service employment and any other income received under Title V of the Older Americans Act;
(AA) Agent Orange settlement payments;
(BB) Payments made under the Radiation Exposure Compensation Act;
(CC) In-kind income received by Job Corps participants for food and shelter;
(DD) Benefits under Public Law 104-204 for children of Vietnam veterans who were born with spina bifida;
(EE) Payments made from any fund established as a result of the case of Susan Walker v. Bayer Corporation, et. al to hemophilia patients who are infected with human immunodeficiency virus;
(FF) Payments to individuals due to their status as victims of Nazi persecution;
(GG) Assistance received under a federal statute because of catastrophe declared to be a major disaster by the President of the United States and any interest earned on the assistance is excluded for nine months from the date of receipt. The initial nine-month period will be extended for a reasonable period up to an additional nine months when circumstances beyond the individual’s control prevent the individual from having the necessary repairs or replacement of damaged property completed;
(HH) Short-term disability payments verified as being applied to medical bills;
(II) Health insurance payments verified as being paid directly to recipient for the reimbursement to a vendor; and
(JJ) Third Party Medical Payments paid directly to the individual that is refunded to the provider or the Department as reimbursement for a specified service.

009.10 INCOME OF SPONSORS OF ALIENS. One-hundred percent of the income and resources of a sponsor, and sponsor’s spouse if they are living together, is considered when determining the eligibility of an alien who applies for Aid to Dependent Children if the sponsor has signed an affidavit of support under Section 213A of the Immigration and Nationality Act. The sponsor’s income and resources will be considered available to the alien until the alien:
   (1) Becomes a United States citizen;
   (2) Has worked 40 qualifying quarters of coverage as defined under Title II of the Social Security Act as required by Section 435 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), codified at 21 United States Code (U.S.C.) §1645, and the alien did not receive any federal means tested public benefit during that time period.

009.10(A) DEFINITION OF A SPONSOR. A sponsor is an individual who:
   (i) Is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;
   (ii) Is 18 years of age or older;
   (iii) Lives in any of the 50 states or the District of Columbia; and
   (iv) Is the person petitioning for the admission of the alien under Section 204 of the Immigration and Nationality Act.

009.10(B) ALIEN DUTIES. As an eligibility requirement, the alien is responsible for:
(i) Providing income and resource information from the sponsor; and
(ii) Obtaining the necessary cooperation from the sponsor.

009.10(C) SPONSOR OF MORE THAN ONE ALIEN. When an individual is a sponsor of two or more aliens who are living in the same home, the amount of income and sources of the sponsor, and sponsor’s spouse if living with the sponsor, is divided equally among the aliens. When an individual sponsors several aliens but not all apply for Aid to Dependent Children, the sponsor’s total income and resources are applied to the needs of the aliens who apply for assistance.

009.10(D) EXCEPTION TO COUNTING SPONSOR’S INCOME. If a sponsored immigrant demonstrates that he or she or his or her child(ren) have been battered or subjected to extreme cruelty by a spouse or a parent or by a member of the spouse or parent’s family who is residing in the same household as the alien, counting the sponsor’s income may be waived if a judge, an administrative law judge, or Citizenship and Immigration Services recognize the battery or cruelty.

009.10(E) INDIGENT IMMIGRANTS. If an immigrant is unable to obtain food and shelter, taking into account the immigrant’s own income plus any cash, food, housing, or other assistance provided by other individuals including the sponsor(s), the amount counted must be the amount actually provided to the immigrant by the sponsor. If the immigrant is determined indigent, the amount which must be counted will be the amount actually provided to the immigrant by his or her sponsor(s) for a period beginning with the date of determination and ending 12 months after the determination date. Each instance of indigence is renewable for an additional 12-month period.

009.10(E)(i) REPORTING INDIGENT IMMIGRANTS. When an immigrant is determined indigent, the United States Attorney General is notified of each determination, including the names of the sponsor and sponsored immigrant.

010. DEVELOPMENT OF A SELF-SUFFICIENCY CONTRACT. As a condition of eligibility for an Aid to Dependent Children payment, an applicant determined to be subject to Employment First participation must complete his or her Employment First Self-Sufficiency Contract before the unit can be determined eligible to receive Aid to Dependent Children cash assistance. If an applicant does not cooperate in developing and completing an Employment First Self-Sufficiency Contract, the unit is ineligible for Aid to Dependent Children cash assistance.

011. COOPERATION WITH CHILD SUPPORT ENFORCEMENT UNIT. Aid to Dependent Children recipients must cooperate with Child Support Enforcement unless the recipient shows good cause for failing or refusing to do so. See Title 466 of Nebraska Administrative Code.

011.01 SANCTION FOR REFUSAL TO COOPERATE. Aid to Dependent Children recipient parents who fail to cooperate with Child Support Enforcement will have their Aid to Dependent Children grant reduced by 25 percent. If the recipient subsequently cooperates, the 25 percent reduction is ended and the grant is increased effective the first day of the month during which cooperation is restored. If a guardian, conservator or specified relative, other than a parent, is included in the unit and they fail to cooperate, their needs are removed from the Aid to Dependent Children unit.
012. COOPERATION IN OBTAINING THIRD PARTY MEDICAL PAYMENTS. Aid to Dependent Children recipients must cooperate in securing any third party medical payments unless he or she has good cause for noncooperation. See Title 471 of Nebraska Administrative Code.

012.01 SANCTION FOR REFUSAL TO COOPERATE IN OBTAINING THIRD PARTY MEDICAL PAYMENTS. Aid to Dependent Children recipients who fail or refuse to provide information about or obtain third party medical payments are ineligible for inclusion in the grant unit. Eligibility of the dependent child(ren) is not affected. Ineligibility continues for the recipient until he or she cooperates or cooperation is no longer an issue, and the grant is increased effective the first day of the month during which cooperation is restored.

013. OTHER RELATED ELIGIBILITY REQUIREMENTS. Other eligibility requirements are described in this section.

013.01 RECEIPT OF OTHER ASSISTANCE. An individual whose needs are included in the Aid to Dependent Children unit must not at the same time receive, or be eligible to receive, another type of categorical assistance administered by the Department. This does not preclude the recipient of another type of categorical assistance from being the payee for an Aid to Dependent Children payment made on behalf of any child(ren) in that individual’s care.

013.01(A) SUPPLEMENTAL SECURITY INCOME AND AID TO DEPENDENT CHILDREN. An individual in the Supplemental Security Income Program is not included in the Aid to Dependent Children unit. If a child is eligible to receive both Aid to Dependent Children and Supplemental Security Income, the payee or responsible caretaker of the child must select one of the programs. The payee or responsible caretaker must be informed of the benefits available under each program so the choice of a program can be made in the best interest of the child.

013.02 INELIGIBILITY OF FLEEING FELON. An individual is ineligible for Aid to Dependent Children during any period in which the individual is:

(A) Fleeing to avoid prosecution or custody or confinement after conviction for a crime or attempt to commit a crime that is a felony under the law of the place from which the individual is fleeing; or

(B) Violating a condition of federal or state probation or parole.

013.03 INELIGIBILITY FOR DRUG RELATED FELONIES. An individual who commits any offense after August 22, 1996, which is classified as a felony and which has as an element the possession, use, or distribution of a controlled substance and is convicted under federal or state law after August 22, 1996, is permanently ineligible for Aid to Dependent Children cash assistance. Other family members may continue to receive benefits. If the ineligible individual is a parent, his or her income is used in determining eligibility for the remaining family members.

013.04 RECEIPT OF OTHER PROGRAM ASSISTANCE FROM ANOTHER ENTITY. An individual is ineligible to receive an Aid to Dependent Children or Temporary Assistance to Needy Families grant in the same month from two entities.
014. WAIVER OF AID TO DEPENDENT CHILDREN CASH ASSISTANCE. An Aid to Dependent Children recipient subject to Employment First participation requirements who requests to have their case closed, must submit the request in writing.

014.01 RE-ESTABLISHING ELIGIBILITY. In order to re-establish eligibility after waiving cash assistance, an applicant must:
   (A) Qualify for an exemption from Employment First participation requirements; or
   (B) Participate in an Employment First component activity included in his or her Self-Sufficiency Contract or in another activity mutually agreed upon for a minimum of five consecutive work days in order to demonstrate his or her willingness to participate.
   The individual may receive supportive services while engaging in the required activity.

015. TRANSITIONAL GRANT. An Aid to Dependent Children unit may receive up to five transitional grants, each grant being equal to 1/5 of the Aid to Dependent Children payment standard for the unit’s size at the time the unit becomes ineligible for an Aid to Dependent Children grant payment if:
   (A) The unit lost eligibility for a grant because of increased earnings or increased hours of employment of the specified relative, guardian, or conservator;
   (B) The unit meets the requirements to qualify for Transitional Medical Assistance;
   (C) The unit must have lost eligibility for an Aid to Dependent Children grant in the month immediately preceding the first month of eligibility for the transitional grant. A month in which the unit was eligible but did not receive a grant due to the minimum payment provision does not qualify as a month of grant; the unit must have actually received an Aid to Dependent Children grant from Nebraska for the month immediately preceding ineligibility in order to receive transitional grants.

015.01 CONTINUING TRANSITIONAL GRANT. In order to continue to receive transitional grants for the full five-month period, the unit must meet the following requirements:
   (A) The unit’s earned income cannot exceed 185 percent of the federal poverty level for the unit size;
   (B) The specified relative, guardian, or conservator must be employed;
   (C) The unit continues to reside in the State of Nebraska;
   (D) The unit continues to include a dependent child;
   (E) The unit must remain ineligible to receive an Aid to Dependent Children grant.