I. RULES FOR USE OF FULL INCOME LEVEL OR 1/3 REDUCTION

When determining eligibility, you must determine whether to use the full income level (maintenance allowance) or the 1/3 reduced income level.

A. Full Income Level

Use the full income level in determining eligibility in the following situations:

1. The individual or his spouse has:
   a. Ownership Interest- The individual or his spouse owns or has any ownership interest in the dwelling where he lives.
   b. Rental Agreement - The individual or his spouse has a rental agreement for a house, apartment, room (boarding house, hotel), or other commercial situation.

2. Sharing - The individual is paying his proportionate share. This is determined by dividing the expenses by the number of household members. The individual is presumed to be sharing if he resides in an all public assistance household. Refer to II. below for procedures.

3. The individual separately purchases food or shelter.
   a. Separate purchase can be direct separate purchase or by paying his share of household expenses.
   b. If an a/r pays for other expenses and it is agreed upon by other household members that what he pays covers his requirement for shelter and food, the full income limit may be used to determine eligibility.

Example: A/R lives with relatives. They pay all shelter costs and he pays for everyone's food. There is an agreement that the value of the food the a/r purchases covers his shelter expense. The a/r is considered to be paying for his shelter cost. Use full income level to determine his eligibility.

4. The individual is a domestic or agricultural employee who is provided food and shelter as part of his salary.

5. The individual is a child (under 18) living in the household of a parent or spouse of such parent.

6. When counting in-kind support and maintenance (in-kind income) the full income level is used. Refer to MA-2250, Income.
B. 1/3 Reduced Income Level

Use the 1/3 reduced income level in determining eligibility when the individual/couple does not meet the requirements in A. above.

II. 1/3 REDUCTION

If the a/r does not meet criteria in I.A. above, evaluate 1/3 reduction at each application and redetermination.

A. Verification of Expenses

Applications and Redeterminations

Require that the a/r provide proof of expenses (bills, receipts, statements, etc.) If he fails to provide evidence that he is meeting his proportionate share of the household expenses, apply the 1/3 reduced income level.

B. Determining Proportionate Share

If the a/r is living in the home of another and there is no rental agreement nor ownership interest, determine if he pays his proportionate share of household expenses.

1. Total all monthly costs related to food, mortgage, or rental payments, real property taxes, heating fuel, gas, electricity, water, sewer, garbage removal.
   a. Divide costs by the number of individuals in the household, including the a/r, to obtain the proportionate share (i.e. a/r lives with a couple who have two children. Divide costs by five).
   b. Compare the proportionate share to the amount usually paid by the a/r.
   c. Do not apply the 1/3 reduction in the income level if the amount paid by the a/r equals or exceeds his proportionate share.
   d. Apply the 1/3 reduction in the income level if:
      (1) The amount paid by the a/r is less than his proportionate share, or
      (2) The a/r’s income is not enough to pay his proportionate share.


C. Income Levels

Refer to the Income Table in MA-2260, Financial Responsibility Regulations PLA, for the appropriate income levels for an individual or couple.