

STATE OF VERMONT  
AGENCY OF HUMAN SERVICES

# DCF

## Department for Children and Families



**BULLETIN NO.: 23-28**

**FROM:** Miranda Gray, Deputy Commissioner  
Economic Services Division

**DATE:** 07/22/24

**SUBJECT:** Reach Up Eligibility Rules

**CHANGES ADOPTED EFFECTIVE** 08/01/2024

**STATUS**

- Proposed Rule
- Final Proposed Rule
- Adopted Rule

**RULE REFERENCE(S):**

2200-2263

**Summary of Proposed Rule**

The Reach Up program provides cash assistance and support services to low-income families. The Reach Up Eligibility rules govern the eligibility criteria for the Reach Up program. The proposed rule implements changes to Reach Up eligibility criteria required by Act 133 of 2022, including increasing the age of an eligible child attending school from 19 to 22; increasing the child support pass through amount from \$50 to \$100, and increasing the earned income disregard from \$250 to \$350. The proposed rule also updates outstanding uses of terms such as “failure” and “compliance” that were not updated in the previous cycle of rulemaking; adds language to rule 2253(10) clarifying that financial assistance from poverty reduction programs is excluded; and inserts language regarding the proration of benefit payments that was inadvertently stricken from the rule in the previous cycle of rulemaking.

***Specific Changes to Rule Sections***

2202(b)(3)	Insert “Reach Up Services” before rule cite
2206(b)(1)	Delete “modification,” replace “work participant requirement” with “Reach Up participant requirements,” insert “Reach Up Services before rule cite, and update Reach Up Services rule cite
2208.3(k)	Update verification timeframe from “31 to 60 days” to “within 60 days”
2209(a)(5) and (6)	Replace “Reach Up services requirements” with “Reach Up participant requirements”
2214.1	This section regarding benefit payments was inadvertently stricken from the rule in the previous cycle of rulemaking
2216(a)(1)(ii)	Replace “noncooperation” with “not engaging” and “Reach Up services requirements” with “Reach Up participant requirements”
2217(e)	Delete obsolete language regarding payment of benefits after death of a household member
2219(i)	Change the calculation to determine the amount of income a household retains when an overpayment has been processed
2220(b)(2)	Replace “fails to meet” with “does not engage in” and “Reach Up services requirements” with “Reach Up participant requirements,” insert “Reach Up Services” before rule cite, and update Reach Up Services Rule cites
2220.6(b)(2)	Replace “Reach Up services requirements” with “Reach Up participant requirements” and insert “Reach Up Services” before rule cite
2221(b)(1) and (c)(1) and (2)	Update age of eligible child from 19 to 22
2225(c), (d), (e), and (f)	Insert “Reach Up Services” before rule cite, update Reach Up Services rule cite
2227	Replace “homeless family” with “family experiencing homelessness”
2232.4(h)	Delete “serious”
2234(c), (d), and (f)	Update time limits criteria to align with new requirements in Act 133
2234.1	Replace “Reach Up services requirements” with “Reach Up participant requirements,” insert “Reach Up Services” before rule cite, and update Reach Up Services rule cite
2240(b)(1)	Increase family bonus from \$50 to \$100
2240(c)(2)	Replace “Reach Up services requirements” with “Reach Up participant requirements”
2241	Replace “Reach Up services requirements” with “Reach Up participant requirements”
2244.1	Delete Basic Needs Standards Table, include reference to the table published in the Reach Up Eligibility procedures
2249(a)(1)(5)	Increase child support amount from \$50 to \$100
2250.1(a) and (c)	Increase family bonus from \$50 to \$100
2250.2(a)	Increase child support amount from \$50 to \$100
2252.2(b)(1)	Insert “Reach Up Services” before rule cite
2252.3(a)	Increase earned income disregard from \$250 to \$350
2253(a)(10)	Add language excluding financial assistance for poverty reduction or housing
2253(a)(29)	Increase child support amount from \$50 to \$100

2262.2(b)	Insert “Reach Up Services” before rule cite and update Reach Up Services rule cite
2262.4(c)(2)	Replace “Reach Up services requirements” with “Reach Up participant requirements”

**Rulemaking Process**

***A. Informal Public Input Process***

1. The proposed rules were pre-filed with the Interagency Committee on Administrative Rules (ICAR) on December 8, 2023 and presented at ICAR’s meeting on January 8, 2024.
2. The proposed rules were filed with the Secretary of State’s Office on February 2, 2024.
3. The Secretary of State published a notice of rulemaking on its website and in newspapers on February 7, 2024, and February 15, 2024, respectively.
4. The Department posted the proposed rule on its website, <https://dcf.vermont.gov/esd/laws-rules/proposed>, and notified advocates, subscribers, and members of the public of the proposed rule.

***B. Formal Notice and Comment Period***

1. An in-person and virtual public hearing was held on March 8, 2024 in Waterbury, VT. No one attended the public hearing. The deadline for written public comment was March 15, 2024. No comments were received.
2. The final proposed rule was filed with the Secretary of State’s Office and the Legislative Committee on Administrative Rules (LCAR) on April 29, 2024.
3. The final proposed rule was presented and approved by LCAR at its June 13, 2024 meeting.
4. The effective date of the rule is August 1, 2024.

To get more information about the Administrative Procedures Act and the rules applicable to state rulemaking, visit the website of the Office of the Vermont Secretary of State at: <https://sos.vermont.gov/secretary-of-state-services/apa-rules>. If you have general questions about the rulemaking process, email [sos.statutoryfilings@vermont.gov](mailto:sos.statutoryfilings@vermont.gov) or call 802-828-3700.

For information on upcoming hearings before the Legislative Committee on Administrative Rules, visit the Vermont Legislature’s website at: <https://legislature.vermont.gov/committee/detail/2024/39>.

## Table of Contents

2200	Purpose .....	6
2201	Definitions .....	6
2202	Eligibility and Payment Process .....	9
2203	Case Records .....	9
2204	Authorized Representative .....	9
2205	Quality Assurance Review .....	10
2206	Domestic Violence .....	10
2207	Application .....	11
2207.1	Application Process .....	11
2207.2	Choice of Program .....	12
2207.3	Deadline for Application Processing .....	12
2208	Sources of Application Information .....	13
2208.1	Application Form .....	14
2208.2	Interviews .....	14
2208.3	Verification .....	14
2208.4	Collateral Sources Used for Verification .....	17
2209	Continuing Eligibility .....	17
2210	Recertification .....	17
2210.1	Recertification Periods .....	18
2210.2	Interim Reports .....	18
2211	Change Processing .....	18
2211.1	Change of Address .....	19
2211.2	Deceased Reach Up Household Member .....	19
2212	Decisions .....	20
2212.1	Application Decisions .....	20
2212.2	Continuing Eligibility Decisions .....	20
2213	Notice of Decision .....	20
2213.1	Exemptions from Minimum Advance Notice .....	21
2213.2	Benefit Amount Notice .....	21
2214	Benefit Amounts .....	22
2214.1	Benefit Payment .....	23

2215	Alternate Payee.....	23
2216	Method of Payment.....	24
2217	Benefit Payments for Deceased Household Members.....	24
2218	Underpayments.....	25
2219	Overpayments.....	25
2220	Protective Payments.....	27
2220.1	Budget Assistance Determination.....	28
2220.2	Rebuttal of Budget Assistance Determination.....	29
2220.3	Protective Payee.....	31
2220.4	Payee Selection Criteria.....	32
2220.5	Payee Conflict of Interest Limitation.....	32
2220.6	Controlled Vendor Payments (CVP).....	32
2220.7	Reconsideration of Protective Payments.....	33
2221	Eligible Child.....	34
2222	Eligible Parent.....	35
2223	Eligible Caretaker.....	36
2224	Shared Custody.....	36
2225	Minor Parent Households.....	38
2226	Eligible Reach Up Essential Caregiver.....	38
2227	Home.....	39
2228	Temporary Absence from the Home.....	39
2228.1	Temporary Absence of a Parent or Caretaker.....	40
2228.2	Temporary Absence of a Child.....	41
2228.3	Separation of Child and Parent/Caretaker from the Home at Time of Application.....	42
2229	Residence.....	42
2229.1	Residence of Child in Custody.....	43
2230	Citizenship and Immigration Status.....	43
2231	Social Security Numbers.....	46
2232	Child and Spousal Support.....	46
2232.1	Assignment of Support Rights.....	47
2232.2	Cooperation with the Office of Child Support.....	47
2232.3	Good Cause for Refusal to Cooperate.....	48
2232.4	Request for a Child Support Waiver.....	48

2232.5	Review of Child Support Waivers .....	50
2232.6	Termination of Benefits Due to Child Support .....	50
2233	Special Cases of Ineligibility .....	50
2233.1	Strike Participants .....	50
2233.2	Convicted of Fraudulent Residence .....	51
2233.3	Fugitive Felons and Probation or Parole Violators .....	51
2234	Time Limits .....	51
2234.1	Termination after 60 Months.....	53
2234.2	Reapplication after 60 Months .....	53
2235	Formation of the Reach Up Household .....	53
2236	Caretaker Reach Up Household .....	55
2237	Need Determination .....	57
2238	Method for Determination of Need.....	57
2239	Payment Standard.....	57
2240	Eligibility Computation .....	57
2241	Prospective Eligibility and Budgeting.....	58
2242	Amount of Benefit Paid.....	59
2243	Needs .....	59
2244	Needs Standards .....	60
2244.1	Basic Needs Standards .....	60
2244.2	Children in Schools .....	60
2244.3	Special Housing Needs .....	61
2245	Budgeting for Living Arrangements .....	61
2246	Housing Allowance .....	61
2246.1	Subsidized Housing .....	62
2246.2	Shared Households .....	63
2246.3	Room and Board .....	63
2246.4	Institution.....	64
2246.5	Foster Home.....	64
2246.6	General Assistance and Emergency Assistance Temporary Housing .....	64
2246.7	Shelters and Transitional Housing .....	64
2247	Temporarily Uninhabitable Home.....	65
2248	Income .....	65

2248.1	Household Receipt of Lump Sum .....	66
2248.2	In-Kind Income .....	69
2249	Unearned Income .....	70
2249.1	Contributions.....	70
2250	Distribution of Child Support .....	71
2250.1	Family Bonus Payment.....	71
2250.2	Parent Share Payment .....	71
2250.3	Child Support Arrearage Collected .....	71
2250.4	Advance Child Support Payments .....	72
2251	Earned Income .....	72
2251.1	Earned Income Computation Methods.....	73
2251.2	Business Expenses.....	73
2251.3	Income from Providing Child Care .....	74
2252	Earned Income Deductions and Disregards .....	75
2252.1	Employment Expenses .....	76
2252.2	Dependent Care Expenses .....	76
2252.3	Earned Income Disregard .....	77
2253	Excluded Income.....	77
2254	Resources .....	82
2254.1	Combined Resources Limitation .....	83
2254.2	Transfer of Property Prohibited.....	84
2254.3	Property Sales .....	84
2254.4	Excess Resources.....	85
2255	Real Property .....	85
2256	Personal Property .....	86
2256.1	Liquid Assets .....	86
2256.2	Trust Funds /Trust Accounts.....	87
2256.3	Burial Plots - Funeral Agreements.....	87
2256.4	Annuities .....	87
2256.5	Vehicles .....	87
2256.6	Income-Producing Property .....	88
2257	Excluded Resources.....	89
2258	Potential Income and Resources.....	92

---

2259	Potential Eligibility for Pension and Other Benefit Programs .....	92
2260	Insurance and Liability Claims.....	92
2261	Potential Support from Relatives.....	93
2261.1	Reporting Child Abandonment to Law Enforcement .....	93
2262	Notice and Appeal of Reach Up Decisions .....	94
2262.1	Notice of Appeal Rights.....	94
2262.2	Grounds for Appeal of Reach Up Decision.....	94
2262.3	Appeal of Reach Up Decision .....	95
2262.4	Appeal of Protective Payment Decision.....	96
2263	Severability.....	96



**2200 Purpose**

- a. The purpose of the Reach Up program is to:
1. Assist families, recognizing individual and unique characteristics, to obtain the opportunities and skills necessary for self-sufficiency;
  2. Encourage economic independence by removing barriers and disincentives to work and providing positive incentives to work;
  3. Support parental nurturing;
  4. Support parental responsibility and positive parental role models, both custodial and noncustodial;
  5. Measure the success of the system by what is best for children;
  6. Improve the well-being of children by providing for their immediate basic needs, including food, housing and clothing;
  7. Respect the dignity of individuals and families receiving assistance by providing employment, education, and other services through social service delivery systems available to all Vermont citizens and by encouraging the private sector to integrate families receiving assistance into the mainstream employment market;
  8. Recognize the challenges facing many families receiving assistance by minimizing structural financial disincentives to increased earnings and the abrupt termination of assistance before parents are fully integrated into the employment market;
  9. Conserve state public financial resources by operating the system of aid in a manner that is efficient and avoids federal fiscal sanctions; and
  10. Conform to federal TANF law.

**2201 Definitions**

- a. The following definitions apply to the terms used in the rules for the Reach Up program:
1. “Active management” means that the participant is responsible for making significant management decisions, such as approving new tenants, deciding on rental terms, or approving expenditures.
  2. “Adult” means:
    - i. An individual age 18 or older, who is not a dependent child; or
    - ii. An individual under age 18, who is either pregnant or the parent of a dependent child.
  3. “Bona fide loans” means:

- i. A loan from an establishment or individual that is in the business of making loans and is evidenced by a written agreement to repay the money within a specified period; or
  - ii. A loan obtained from an establishment or individual not normally engaged in the business of making loans. Evidence that the loan is bona fide would be provided by a written agreement between the parties to the loan that specifies a timetable or plan for repayment.
  - iii. A loan is considered bona fide even if it is repaid without interest or was obtained without being secured with collateral.
4. “Countable” means the months of benefits that a Reach Up participant receives that count toward the 60-month time limit.
5. “Department” means the Vermont Department for Children and Families.
6. “Domestic violence” means any of the following acts:
  - i. Physical acts that resulted in, or threatened to result in, physical injury to the individual;
  - ii. Sexual abuse;
  - iii. Sexual activity involving an eligible child;
  - iv. Being forced as the parent or caretaker of an eligible child to engage in nonconsensual sexual acts or activities;
  - v. Threats of, or attempts at, physical or sexual abuse;
  - vi. Mental or emotional abuse; or
  - vii. Neglect or deprivation of medical care.
7. “Electronic benefit transfer transaction” means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service.
8. “Eligibility” means the state laws and federal laws that apply to receipt of Reach Up benefits.
9. “Family development plan” (FDP) means the written plan that charts the Reach Up household’s participation in the Reach Up services component.
10. “Homeless” means lacking a fixed and regular overnight residence or living in one of the following as a primary overnight residence:
  - i. A supervised shelter designed to provide temporary accommodations;
  - ii. A halfway house or similar institution that provides temporary residence for individuals transitioning toward independent living;
  - iii. A temporary accommodation, for not more than 90 days, in the residence of another

- individual; or
- iv. A place not designed for, or ordinarily used as, a regular sleeping accommodation.
11. "Household" means either:
- i. One or more eligible children living with:
    - A. One or both parents;
    - B. A relative; or
    - C. A caretaker; or
  - ii. A pregnant individual.
12. "Need" means the lack of income or other resources necessary for long-term mental and physical well-being.
13. "Parent" means:
- i. The same as in 15C V.S.A. § 102(16);
  - ii. Stepparent; or
  - iii. Pregnant individual.
14. "Participant" means an adult who is a member of a Reach Up household.
15. "Payment" means the form, frequency, and method used to pay Reach Up benefits to eligible individuals through:
- i. Money payments; and/or
  - ii. Vendor payments.
16. "Reach Up household" shall have the same meaning as "eligible family" in 33 V.S.A. §1101(11) and means a household that is determined to be financially eligible for the Reach Up program.
17. "Support services" means the services and referrals needed for the accomplishment of the participant's goals and the implementation of their family development plan.
18. "Temporary Assistance to Needy Families" (TANF) means the block grant provided to Vermont and established in accordance with Part A of Title IV of the federal Social Security Act, as amended, and the regulations issued under the Act by the United States Secretary of Health and Human Services.

**2202 Eligibility and Payment Process**

- a. The eligibility and payment process for Reach Up consists of steps an applicant takes to request benefits and procedures the Department follows to determine eligibility and payments.
- b. Steps within the eligibility and payment process include:
  - 1. An initial application for benefits, including a subsequent application to add an additional adult to an existing Reach Up household;
  - 2. An interview to clarify information the applicant provides on the application and provide the applicant with:
    - i. An overview of programs administered by the Department;
    - ii. Services and referrals available;
    - iii. Program requirements; and
    - iv. Participant responsibilities;
  - 3. The documentation and verification of necessary information related to pertinent eligibility conditions, including an initial family development plan (FDP) (Reach Up Services rule 2313);
  - 4. A determination of initial eligibility and amount of benefits;
  - 5. Written notice is provided to applicants of eligibility decisions; and
  - 6. Authorization and payment of benefits by the Department for eligible applicants.

**2203 Case Records**

- a. Permanent records on each individual case shall be maintained and shall include applications for assistance, factual data, verification of information, budgetary computations, eligibility decisions, payment authorizations, and copies of all correspondence.
- b. Case information may contribute in statistical or other general terms to material needed for planning, research, and overall administration of Department programs.
- c. Individual case data shall, however, be held in confidence under Department rules limiting disclosure of such information identifying a specific applicant or participant.
- d. Retention of records shall be subject to Federal and State requirements for audit and/or review.

**2204 Authorized Representative**

- a. An authorized representative may, under specific conditions, act on behalf of a Reach Up household to carry out specific activities related to establishing eligibility for, obtaining, and using benefits made available through Department programs.

- b. A judicially appointed legal guardian or legal representative automatically meets the criteria for an authorized representative.
- c. A relative, friend, or other knowledgeable interested individual may act on behalf of a Reach Up household when the adult Reach Up household members are unable to act for themselves.
- d. An applicant for Reach Up may, in an emergency precluding the presence of the applicant at a required interview, designate a representative to act on their behalf by addressing a letter, naming the individual designated and bearing the applicant's signature, and providing this letter to the Department.
- e. An authorized representative must be:
  - 1. An adult;
  - 2. Not a member of the Reach Up household; and
  - 3. Aware of the Reach Up household's situation.

**2205            Quality Assurance Review**

- a. Continuing validation of the accuracy of information and resulting decisions on eligibility and amount of benefits is carried out through a Quality Assurance review of a sample of each month's Reach Up caseload.
- b. The primary purpose of the validation review is assurance that Department policies are clear and consistently applied and that applicants can understand and furnish accurate information.
- c. Whenever a validation review indicates possible fraud, further investigation and appropriate action shall be initiated.

**2206            Domestic Violence**

- a. The Department recognizes that families experiencing the effects of domestic violence may face a threat to the health, safety, and well-being of one or more family members as well as an obstacle to upward economic mobility.
- b. To encourage and help such families to address the effects of domestic violence, the Department shall explain to applicants and participants that they:
  - 1. May ask for a deferment to Reach Up participant requirements (Reach Up Services rule 2323);
  - 2. May ask for a waiver of the requirement to cooperate in the pursuit of child support (rule 2232.4);
  - 3. Have a right to confidentiality unless the law requires a report of abuse; and
  - 4. May limit voluntary waivers of confidentiality based on criteria they choose, such as time periods or named collateral contacts.

- c. The Department shall provide this explanation at the time of application and eligibility review and at any time the Department receives information indicating that the applicant or participant, or a dependent child, may be or may have been a victim of domestic violence.
- d. Domestic violence is defined at rule 2201.

**2207 Application**

- a. Application for Reach Up is the specific action of completing, signing, and submitting an application form furnished by the Department to begin the program eligibility determination process.
- b. An application for Reach Up may be considered as an application for Reach First when required or allowed by the Reach First rules.

**2207.1 Application Process**

- a. Application forms shall be signed by:
  - 1. The individual applying for benefits;
  - 2. An authorized representative of an individual applying for benefits; or
  - 3. Where the applicant is incompetent or incapacitated, someone acting responsibly for them.
- b. The date of application, which governs the time limit for rendering and implementing a decision on the application, is the date that a signed application form is first received in any Economic Services Division (ESD) office, regardless of whether such application is sufficiently complete for an immediate decision on eligibility.
- c. All contacts shall be considered inquiries up to the point of ESD's receipt of a signed application form.
- d. Department response to application inquiries shall include:
  - 1. Furnishing application form(s);
  - 2. Appropriate explanation of program(s) inquired about, including eligibility standards and criteria; or
  - 3. Explanation of applicant rights and responsibilities, including penalties for fraudulent acquisition and use of benefits.
- e. A signed application for Reach Up, on a form furnished by the Department, is required to begin action on a request for benefits.
  - 1. Such application may be obtained online, by calling, writing, or visiting any of the Department's offices.

- f. Any individual previously found ineligible for benefits, who believes their circumstances have changed or who desires to have eligibility reconsidered, may reapply by submitting an up-to-date signed application form to the Department.
- g. The formal application gives individuals the means to furnish information necessary for a decision, protects them from being ruled ineligible without formal application, informs them of their rights and responsibilities, and provides a basis for appeal if they are dissatisfied with any action or inaction by the Department.
- h. A relative, friend, or other interested party may assist an applicant in completing necessary forms.
  - 1. The applicant, spouse, authorized representative, or legal guardian must sign the form and thereby assume responsibility for all information entered.
- i. If an applicant has difficulty in completing an application and no other person is available to assist, a Department employee may record information furnished by the applicant on the application.
  - 1. The Department must review the application information entered to ensure accuracy before the applicant signs and assumes responsibility for the information.
- j. The individual in whose name an application is filed is designated the applicant, or the head of the Reach Up household.
  - 1. When a group of individuals apply together for benefits from more than one Department program, it is preferable, although not mandatory, that the same member be designated head of the household for all programs.

**2207.2 Choice of Program**

- a. An applicant who is eligible for both Reach Up benefits and Supplemental Security Income (SSI), with or without the state AABD supplement, shall have free choice to select either program.
- b. No individual may, however, receive Reach Up benefits at the same time as receiving federal SSI or state AABD.
  - 1. Recipients of SSI can act as a payee of a Reach Up benefit on behalf of other eligible individuals.
- c. Applicants or participants who apply for SSI or are awaiting a decision on an SSI application may be required to sign an agreement authorizing the Department's recovery of Reach Up from SSI back payments.

**2207.3 Deadline for Application Processing**

- a. Action on applications shall be completed as soon as possible, but no later than 30 days from the date of application for Reach Up.

- b. Within this deadline, a decision must be made concerning the application, and a written notice of that decision must be sent to the applicant.
- c. When the deadline is not met because of applicant-caused delays or circumstances beyond ESD's control, the reason must be documented in the case record.
- d. Not meeting the established deadline shall not constitute the sole reason for denial of benefits unless the applicant's non-cooperation can be established and documented in the case record.

**2208 Sources of Application Information**

- a. The applicant is the primary source of information about their need and eligibility for benefits.
- b. Verification of information provided on the signed application and through interviews is only required when specified at rule 2208.3.
- c. Reliance on the applicant as the primary source of information to establish eligibility recognizes the right to privacy, but also places responsibility on the applicant to provide necessary information completely and accurately or, when needed, to give consent to obtain such information elsewhere.
- d. The signature of an applicant, authorized representative, or legally appointed representative on an application must certify under penalty of perjury that information on the application pertaining to all members of the Reach Up household is correct and complete.
  - 1. Only one adult applicant signature is required (rule 2207.1).
- e. An applicant has a right to refuse to give information, or to submit required verification.
  - 1. Refusal to provide information or take the action necessary to establish eligibility will result in denial or closure of benefits.
  - 2. Willful misrepresentation of an applicant's circumstances may also result in legal action under fraud statutes.
  - 3. The Department shall make every effort to ensure the applicant fully understands the consequences of:
    - i. Refusal to take necessary action to establish eligibility; and
    - ii. Misrepresentation of individual circumstances.
- f. The Department is responsible for providing an explanation and interpretation of program eligibility criteria to an applicant in assessing their circumstances against such eligibility criteria.
- g. An individual may apply for benefits through another person.
  - 1. The individual acting for the applicant is, in such situations, considered the primary source of information, subject to the same rights, responsibilities, and consequences for the applicant as an applicant acting directly for themselves.



**2208.1 Application Form**

- a. The applicant's signed application form is the primary source document for information about the applicant's circumstances.
- b. A signed application form with the applicant's name, address, and signature shall be sufficient to apply for Reach Up benefits.

**2208.2 Interviews**

- a. An interview is required for all Reach Up applications.
- b. The Department shall conduct interviews via the phone.
  - 1. A face-to-face interview may be provided at the applicant's request.
- c. The Department may waive the interview requirement for applicants who are not mandatory members of the Reach Up household when they apply for benefits only on behalf of the children in the household if the following criteria are met:
  - 1. All questions on the application have been answered completely;
  - 2. The application does not contain any questionable or inconsistent information; and
  - 3. The Department has received all required verification.

**2208.3 Verification**

- a. Verification is a written entry in the case record of third-party confirmation or documentation of facts stated by an applicant or participant.
- b. Verification shall be required when:
  - 1. The Department is processing an initial application or eligibility recertification for Reach Up benefits;
  - 2. The participant reports a change in circumstances relating to the verified item; or
  - 3. The Department receives information from some other source that indicates the most recent information reported by the applicant or participant may be incorrect.
- c. Verification shall be required for the following items:
  - 1. All non-excluded income (amount and source);
  - 2. All non-excluded resources, within \$200 of the resource limit;
  - 3. Actual dependent care costs for a non-household member claimed as a work expense and used

- as a deduction from earned income;
  - 4. High risk pregnancy for a person with no dependent children;
  - 5. Collateral information affecting eligibility;
  - 6. Application for a social security number, if the individual does not have one; and
  - 7. Months of TANF assistance received in another state.
- d. Verification may be required for the following, if questionable:
- 1. Identity and residency;
  - 2. Age, citizenship, or immigrant status for any member of the Reach Up household;
  - 3. Parentage of a child included in the Reach Up household; and
  - 4. Any other information that affects eligibility or amount of benefits.
- e. Written verification statements shall include sufficient detail to enable independent reviewer evaluation of the reasonableness of the resulting eligibility decision, including:
- 1. A description of method used;
  - 2. Dates;
  - 3. Sources;
  - 4. Summary of information obtained; or
  - 5. Any computations required.
- f. If the household cannot furnish complete pay stubs or similar verification, a verbal or written statement of earnings must be obtained from the employer.
- g. The Department shall verify and document earnings received in the prior 30 days for applicants and participants.
- 1. If the earnings received in this 30-day period are not representative of current or future circumstances, then a best estimate must be made based on information and documentation obtained during the eligibility determination or redetermination.
    - i. In such cases, this alternative figure will be used to estimate monthly earnings.
- h. For continuing eligibility, earnings must be verified at least once every six months.
- 1. When earnings have just begun or changed, available pay stubs, a statement from the employer on earnings and predicted hours of employment, or similar verification shall be used to make a best estimate of future earnings.
- i. Verification of income and expenses from self-employment requires careful evaluation by the

Department considering the following:

1. If the applicant or participant has been self-employed for a period of time and has reported this income to IRS, the latest income tax return can be used as one source, providing it reflects the current situation.
  2. An applicant or participant, who has recently become self-employed, shall provide a written statement of potential monthly income or all available business records.
  3. Self-employment income shall be projected for 12 months based on these records.
  4. For continuing eligibility, self-employment income must be verified at least once every six months.
- j. Not cooperating with the verification requirements may result in a denial or closure unless a good cause reason exists.
1. Denial or closure shall result if an applicant or participant:
    - i. Fails without good cause to submit documentation necessary for verification;
    - ii. Fails without good cause to consent to verification of any eligibility factor; or
    - iii. Fails without good cause to cooperate in any investigation necessary to support an affirmative decision of eligibility.
  2. Good cause reasons include:
    - i. Natural disasters, such as fires or floods, having a direct impact on the applicant or participant or an immediate family member;
    - ii. Illness of such severity on the part of the applicant or participant or an immediate family member that the applicant or participant is unable to direct their personal affairs;
    - iii. Refusal of an employer to provide earned income verification, or the unavailability of an employer to provide verification before the deadline;
    - iv. Lost or stolen mail which is confirmed by the Postal Service;
    - v. Refusal of a landlord to verify housing expense;
    - vi. Death of the applicant or participant or an immediate family member; or
    - vii. Inability of a third party to provide the necessary documentation within the designated time period.
  3. Other reasons may be found to constitute good cause with the approval of the Department.
- k. If verification is received after the Department has denied the application, but within 60 days from the original application date, the Department may use the original application to determine eligibility.
1. If eligible, benefits will be issued from the date the missing verification requirements were provided.

**2208.4 Collateral Sources Used for Verification**

- a. The Department may contact sources, other than the applicant, to verify an applicant's eligibility for benefits.
- b. The Department may only contact collateral sources with the consent of the applicant as authorized by a signed application or authorization to release information.
  - 1. These contacts are limited to interviews, telephone calls, or correspondence necessary to obtain information required to make an eligibility decision.
- c. Information requested from collateral sources is limited to the specific eligibility factors in question.

**2209 Continuing Eligibility**

- a. Reach Up benefits continue, as authorized, until changed or terminated for the following reasons:
  - 1. Change in circumstances;
  - 2. Participant did not provide a completed interim report;
  - 3. Expiration of a certification period;
  - 4. Participant did not provide information to complete recertification;
  - 5. Sanctioned participant did not engage in Reach Up participant requirements; or
  - 6. Participant received 60 countable months and did not engage in Reach Up participant requirements.

**2210 Recertification**

- a. Recertification is a review of the Reach Up household's eligibility factors to determine their continued eligibility for Reach Up benefits.
- b. Recertification shall be conducted periodically, as specified in rule 2210.1, for all Reach Up households.
- c. Recertification uses the same sources of information as the application process (rule 2208), which includes the following:
  - 1. Participants shall submit a new signed application at every recertification and provide current information about individual, family, and household circumstances in relation to program eligibility factors;
  - 2. Interviews shall be required on the same basis as for initial eligibility; and
  - 3. Verification, including use of collateral sources as needed, shall be required on the same basis as for initial eligibility.
  - 4. Recertification shall be final when written notice of the Department's decision has been made available to the participant and:

- i. An increase of benefits has been made available to the participant; or
- ii. Authorization to terminate or reduce benefits has been processed.

**2210.1 Recertification Periods**

- a. All Reach Up households shall complete a recertification every 12 months.
- b. The recertification period for Reach Up households may be scheduled at intervals shorter than 12 months to coincide with known anticipated changes or recertification periods for other benefit programs administered by the Department.
- c. A scheduled recertification period may not, however, exceed the 12-month limit.

**2210.2 Interim Reports**

- a. All Reach Up households shall complete an interim report every six months.
- b. The interim report must include verification of any earned income.

**2211 Change Processing**

- a. The Department must notify the Reach Up household of the requirement to report any changes in circumstances within ten calendar days of the date the change becomes known.
- b. The Reach Up household shall notify the Department of any change in individual, family, or Reach Up household circumstances that may affect continuing eligibility.
  1. Such changes include: residence location, Reach Up household composition, employment, income, and resources.
- c. When a change is the addition of an adult to a Reach Up household, all eligibility conditions apply (rule 2202) and are reconsidered for the new Reach Up household formed by the change.
- d. When a change is the addition of any individual to an existing Reach Up household, benefits based on the new member's needs and income will be effective for the date on which the individual joined the Reach Up household, provided that a timely report of the change was made.
  1. A report of change is considered timely if it is reported within ten calendar days of the date the change became known to the Reach Up household.
  2. If the change was not timely reported, benefits based on the participant's needs and income shall be effective from the date on which the change was reported.
- e. A change reported for one program shall be considered to have been reported for all programs in which the Reach Up household is participating.
- f. The Department shall, upon receipt of a report of changed circumstances, consider such changes in

relation to all eligibility factors for all programs through which benefits are currently authorized.

1. If a reported change results in a Reach Up household becoming ineligible, benefits shall end on the earliest date for which the adverse action deadline has not passed.
- g. A description of payment cycles is given at rule 2216.
- h. Reductions and closures resulting from changes reported fewer than ten calendar days before the adverse action approval deadline may take effect for the following benefit period.
1. This ensures that participants have a ten-day period in which to provide required verification and the Department has a ten-day administrative period in which to process the change.
- i. A Reach Up household that includes a pregnant person cannot have their Reach Up benefits increased solely based on the pregnancy.

**2211.1 Change of Address**

- a. A Reach Up household shall immediately notify the Department of any change in their domicile and inform the Department of the new location and mailing address.
- b. Failure to immediately notify the Department of any change in domicile may result in a delay in receipt of benefits, incorrect payments, or render the Department unable to determine continued eligibility.
- c. Changes of domicile for reasons other than visiting purposes shall require a review of circumstances and recomputation of budgeted need.
  1. Visits away from the domicile of less than 30 days are not considered a change of domicile.
- d. A Reach Up household that moves outside Vermont with the intent to domicile outside the state shall become ineligible upon leaving their Vermont residence (rule 2229).

**2211.2 Deceased Reach Up Household Member**

- a. Eligibility of a Reach Up household member terminates upon death.
- b. Notice of death, processed through the applicable payment system, shall automatically cancel continuing benefits to, or on behalf of, the deceased individual.
- c. Vendor payments for services incurred by eligible individuals before death shall, however, be authorized and paid, when billed within fiscal time limits.
- d. Surviving members of a Reach Up household may continue to be eligible for benefits following the death of a Reach Up household member.
- e. Continuing eligibility and resulting payment adjustments shall be established through appropriate

eligibility review action.

**2212 Decisions**

- a. By law, the Commissioner of the Department for Children and Families is empowered to decide upon applications for benefits and to prescribe the amount of benefits to be given.
- b. Authority to make case decisions is assigned to the Department.

**2212.1 Application Decisions**

- a. Decisions on applications or reapplications for benefits are classified as:
  - 1. Approval – when need exists, according to Department standards, and all other eligibility conditions of the program are met; or
  - 2. Denial – when need does not exist, according to Department standards; when one or more other eligibility conditions of the program are not met; when the applicant cannot be located; or when the application is withdrawn by the applicant.

**2212.2 Continuing Eligibility Decisions**

- a. Department decisions on continuing eligibility for benefits are defined as follows:
  - 1. Continuing – when need exists, in the same amount or scope, and all other eligibility conditions of the program continue to be met;
  - 2. Reductions – when lesser need exists and all other eligibility conditions of the program continue to be met;
  - 3. Increases – when greater need exists and all other eligibility conditions of the program continue to be met; or
  - 4. Closures – when need no longer exists, or when one or more other eligibility conditions of the program are no longer met.
- b. Decisions shall be effective on the date the household would have received its next benefit payment, subject to any applicable advance notice requirements.

**2213 Notice of Decision**

- a. A written notice of decision shall be provided to Reach Up applicants/participants prior to implementation of any decision affecting their receipt of benefits, which includes the following information:
  - 1. The type of action to be taken;
  - 2. An explanation of the action that includes reference to dates, amounts, reasons, and the governing rules; and

3. A clear explanation of individual rights to request a fair hearing (rule 2262) and to request continuation of benefits pending a fair hearing decision if requested within specified time limits.
- b. Unless specifically exempt, a decision resulting in termination or reduction in the amount or scope of benefits or changing a benefit to a protective payment system requires advance written notice of the proposed action.
- c. Advance notice must be mailed no less than ten days prior to the effective date of the proposed action.

**2213.1 Exemptions from Minimum Advance Notice**

- a. The requirement for minimum advance notice of termination, reduction, or change in method of payment shall not apply to decisions resulting from the following:
  1. A new or amended rule adopted under the provisions of the Administrative Procedures Act (3 V.S.A. § 801 et seq.) that will have general and universal effect upon the benefits of a significant number of individuals and a general advance notice of such rule change has been sent to all participants in the particular program affected;
  2. The death of the only participant in a one-person Reach Up household;
  3. The participant's voluntary request for such action, as attested to by:
    - i Participant's signature, or the signature of an authorized representative, on a formal waiver of notice; or
    - ii Written or verbal submission of information requiring such termination or reduction that contains the participant's clear admission of awareness that the required action will be taken.
  4. A change of payee to continue benefits for the use of eligible children during or following family separation.

**2213.2 Benefit Amount Notice**

- a. Written notice of benefit amounts shall include the following specific information:
  1. Benefit amount;
  2. Effective date of first payment;
  3. Conditions, if any, affecting continuing benefits; and
  4. Method of payment.
- b. Written notice of benefits denied shall include the specific reason for denial.
- c. Written notice of continuing benefits shall state that benefits continue or include the following specific information regarding a change:



1. Current benefit amount and changed benefit amount;
  2. Effective date of change;
  3. Reason for change; and
  4. Method of payment.
- d. Written notice of benefits closed shall include the following specific information:
1. Current benefit amount, if any;
  2. Effective date of closure; and
  3. Reason for closure.

**2214 Benefit Amounts**

- a. A benefit amount is a direct payment of assistance to, or on behalf of, an eligible Reach Up household to meet need, as established under Department rules.
- b. Reach Up benefit amounts shall be made payable to the parent or caretaker responsible for care and supervision of an eligible child, except when an alternate payee has been designated by court action or under Department regulations (rule 2215).
- c. A non-recipient parent or caretaker may be designated payee to meet the needs of an eligible child in their care in the following situations:
  1. A parent or caretaker has their own needs met through a separate SSI/AABD grant for which they are payee in their own right; or
  2. A caretaker is not financially eligible for Reach Up but provides care for an eligible child in either the caretaker's or child's home.
- d. A household receiving a benefit amount shall not knowingly use any benefit amounts in a:
  1. Retail establishment which sells exclusively or primarily any alcoholic beverages defined in 7 V.S.A § 2;
  2. Casino, gambling casino, or gaming establishment; or
  3. Retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.
- e. A household that uses or accesses benefit amounts in any of the places prohibited in subsection (d) shall reimburse the Department for the amount of benefits used or accessed in the prohibited establishment.
- f. State law prohibits assignment, transfer, attachment, trustee process, or execution of benefits. (33 V.S.A. § 124)

- g. When funds available for payment of SSI/AABD and Reach Up benefits are insufficient to provide assistance to all eligible individuals, benefit amounts shall be reduced until sufficient funds become available. (33 V.S.A. § 114)

**2214.1 Benefit Payment**

- a. Reach Up benefits shall be approved in the amount specified by Department rules and continue until changed.
- b. Benefit payments are effective on the date of Department approval, provided all eligibility factors are met, or 30 days from the date of the application, whichever is earlier.
  - 1. Benefit payments become available to the household the day after the Department's approval.
- c. The benefit effective date applies to all applicants or applicants who apply after their eligibility for benefits has ended, except that households meeting the conditions specified in rule 2232.6 for reinstatement shall have a benefit effective date of the first of the month child support was reduced or terminated.
- d. The initial benefit shall be computed by multiplying the monthly amount of benefits to be approved (obtained by subtracting total net income from the precomputed payment standard) by the percentage below, which corresponds to the calendar day on which the benefit is effective.

1. Pro-Ration Benefit Table:

Date	Percentage	Date	Percentage	Date	Percentage	Date	Percentage	Date	Percentage
1	100	7	80	13	60	19	40	25	20
2	97	8	77	14	57	20	37	26	17
3	93	9	73	15	53	21	35	27	13
4	90	10	70	16	50	22	30	28	10
5	87	11	67	17	47	23	27	29	7
6	83	12	63	18	43	24	23	30/31	3

- 2. The pro-ration benefit table is to be used regardless of the number of days in the month.

**2215 Alternate Payee**

- a. Benefits shall be payable to the following individuals on behalf of a participant under the following situations:
  - 1. The court-appointed legal guardian or legal representative of a Reach Up participant unable to manage their own affairs;

2. A designated protective payee, who acts on behalf of a Reach Up participant who has demonstrated serious problems in management of funds;
  3. Vendors of specific goods or services, when the vendor payment is used in lieu of designating a participant's third-party payee; or
  4. An adult acting on behalf of a Reach Up participant in an emergency situation expected to last 30 days or less.
- b. Payment of benefits to a legal guardian or legal representative shall be authorized when a copy of the appointment is received, or the appointment has been verified at the court.
- c. Payment of benefits to a protective payee, or vendor payment in lieu of payment to a protective payee, shall be authorized by the Department upon receipt of a signed protective payment agreement.

**2216 Method of Payment**

- a. Payments in the amount of the approved benefit will be made as follows:
1. These Reach Up households shall receive their benefit amount in a single 100 percent monthly payment cycle to cover the entire month:
    - i. Households where the Office of Child Support (OCS) collects child support on behalf of the child may receive 100% of their benefit on the 1<sup>st</sup> of the month, or, if sanctioned, after meeting with their case manager; or
    - ii. Households under sanction for not engaging with Reach Up participant requirements may receive their shelter expense paid up to their full Reach Up benefit and 60 percent of any remaining Reach Up benefit after meeting with their case manager, with 40 percent of any remaining Reach Up benefit paid on the 16th of the month (rule 2220.6(e)(2)).
  2. All other Reach Up households shall receive their benefit amount in two payments:
    - i. 60 percent at the beginning of the month to cover the first 15 days of the month; and
    - ii. 40 percent on or about the 16th to cover the remainder of the month.
- b. One-time payments for the benefit amount will be made in the following situations:
1. Initial benefits approved after the regular monthly payments (60 percent or 100 percent) are made for that month or the following month;
  2. Increases approved for the current month or the following month when there is not enough time to implement the change through the regular monthly payment system; or
  3. Other authorized situations, such as controlled vendor payments or benefits issued to correct an underpayment.

**2217 Benefit Payments for Deceased Household Members**

- a. A deceased Reach Up household member shall not be entitled to Reach Up benefits for any month

following the month of death.

- b. Funds remaining from a benefit paid before death of the Reach Up household member remain available for use on their behalf and/or on behalf of eligible survivors of the Reach Up household.
- c. The needs of a deceased Reach Up household member shall be removed from their household's benefits with appropriate notice and benefits shall continue in an adjusted amount required to meet the surviving Reach Up household's needs.
- d. A payment for a period before the death of a Reach Up head of household will, upon notification, be reissued to one of the following individuals:
  - 1. The administrator or executor of the head of household's estate, if one has been appointed;
  - 2. A surviving parent of an eligible child, who was living with or dependent upon the deceased head of household; or
  - 3. The new payee of the Reach Up household's benefits.

**2218 Underpayments**

- a. Department errors that result in underpayment of benefits shall be retroactively corrected when the information to enable authorization of the correct amount was available to the Department at the time the error occurred.
- b. Retroactive corrected payment shall be authorized only for the 12 months preceding the month in which the underpayment is discovered, regardless of current Reach Up eligibility.
- c. The retroactive corrective payment shall not be considered income in the month paid or a resource in the following month (rules 2253 and 2254).
- d. Corrective payments shall be retroactive to the effective date of the incorrect action, not subject to the above limitations, when:
  - 1. Ordered as a result of a fair hearing or court decision; or
  - 2. Authorized by the Department as the result of a Department decision rendered on a formal appeal prior to hearing.
- e. Retroactive corrective payments will be applied first to any outstanding unrecovered overpayment.
  - 1. The amount of corrective payment remaining, if any, shall be paid to the Reach Up household.

**2219 Overpayments**

- a. Overpayments of benefits shall be subject to recoupment if they result from the following:
  - 1. Administrative error;

2. Participant error; or
  3. Payments made pending a fair hearing that is subsequently determined in favor of the Department.
- b. Recovery of an overpayment can be made through repayment by the recipient of the overpayment or by reducing the amount of payment being received by the member of the Reach Up household.
  - c. Recoupment of overpayments less than \$35.00 do not apply to individuals currently ineligible for Reach Up financial assistance, except for a case involving fraud.
  - d. Any overpayments of \$35.00 or more should be recovered from individuals currently ineligible for Reach Up financial assistance.
    1. However, if after an attempt has been made to recover the amount and continued attempts at recovery would cost as much or more than the amount of the overpayment, further attempt at collection may be waived.
  - e. Overpayments of benefits that are subject to recoupment shall only be recouped from the program in which the overpayment occurred.
    1. When participants who have been overpaid in one Reach Up program transfer to, or subsequently apply for and are found eligible in, another Reach Up program, the overpayment and recoupment shall not transfer to that other program.
    2. Any outstanding overpayment amounts may be recovered in other ways authorized under these rules and shall be recouped if the participant returns to the Reach Up program where the overpayment occurred.
  - f. No recoupment shall be attempted for overpayments occurring more than 12 months prior to the date of discovery unless the overpayment was caused by the participant's willful withholding or misrepresentation of information that affected the amount of payment.
    1. Recoupment of overpayments that took place within a three-year period prior to the date of discovery can be attempted when a participant's willful withholding or misrepresentation of information caused the overpayment.
  - g. Recoupment shall be made each month from any combined earned and unearned income, liquid resources, and the amount of the household's Reach Up benefit before recoupment.
    1. The household's combined income will include:
      - i. Business expense for self-employment;
      - ii. Child support, except for the \$100 family bonus payment (rule 2250.1); and
      - iii. No other earned income deduction or disregards.

- h. For participant errors, the Reach Up household must retain from its combined income 90 percent of the amount payable to a household of the same composition and housing expense with no income, plus up to \$90 for the standard earned income deduction and any allowable dependent care deduction.
  - 1. For Reach Up households with no other income, the amount of the recoupment will equal 10 percent of their Reach Up benefit amount.
- i. For Department errors, the Reach Up household must retain from its combined income, 95 percent of the amount payable to a household of the same composition and housing expense with no income, plus the earned income disregard specified in rule 2252.3 and any allowable dependent care deduction.
  - 1. For Reach Up households with no other income, the amount of the recoupment will equal 5 percent of the Reach Up benefit amount.
- j. If the Reach Up household member responsible for the overpayment is no longer eligible or moves to another Reach Up household, the Department may recover from any or all of the following:
  - 1. The member responsible for the Overpayment;
  - 2. The original Reach Up household;
  - 3. The new Reach Up household.
- k. If through the Department's administrative oversight certain requirements in the Child Support Program are not met, such as support payments not deducted from the Reach Up benefit, the Department may recoup from the individual or the Reach Up household.
- l. If a fraud referral is made, recoupment must be delayed pending the outcome of the fraud investigation.

**2220 Protective Payments**

- a. Protective payments are management of benefits by a third party outside of the Reach Up household to meet the needs of a dependent child and the parent or caretaker with whom the child is living.
- b. Protective payments are used as follows:
  - 1. Protective payments are used as a temporary measure when difficulty in money management jeopardizes the welfare of the child and when the parent or caretaker living with the child has the capacity to learn through budget assistance to manage the Reach Up household's funds in a way to assure proper care of the child.
    - i. The parent's or caretaker's management capacity can be presumed unless there is evidence to the contrary.

- ii. The benefit is paid to a protective payee who is interested in, or concerned with, the welfare of the Reach Up household.
  - A. If an acceptable protective payee cannot be found, a substitute form of protective payment known as controlled vendor payments (CVP) is used (rule 2220.6).
- iii. Households with difficulty in money management, as determined by the Department, should be referred to money management counseling, if available in the community.
- iv. When cognitive, mental health, or physical limitations preclude capacity to improve management of funds, legal alternatives shall be pursued.
  - A. There must be documentation of inadequate physical capability or of mental incapacity that precludes self-care and raises concern for the Reach Up household's well-being.
  - B. Petition for appointment of a legal guardian or legal representative for a parent or caretaker living with the child may be initiated by the Department.
- 2. Protective payments for housing are made in cases where a parent or caretaker living with the child does not engage in Reach Up participant requirements, according to criteria in Reach Up Services rules 2328.4 and 2328.5.
- 3. Protective payments for housing are made in cases where a parent or caretaker is temporarily absent from the home according to the criteria in rule 2228.1.
- 4. Management of benefits through controlled vendor payments is optional when the household requests direct payment for housing, utilities, or other basic needs, and meets the requirements of rule 2220.6.
- c. If a protective payment system is used, the participant may appeal to the Human Services Board for a fair hearing (rule 2262.4).

**2220.1 Budget Assistance Determination**

- a. The Department will evaluate evidence of difficulty in money management, determine whether the parent or caretaker demonstrates the capacity to overcome these obstacles, and decide whether, based on these factors, budget assistance through a protective payment plan is warranted.
- b. Difficulty in money management shall result in budget assistance through a protective payment plan if either of the following criteria are met:
  - 1. The health or safety of the child is at risk because, in the previous 12 months, a Reach Up household is two or more months behind on their incurred rent payment.
    - i. Rent will be considered overdue to the current landlord for any month when it remains unpaid ten days past the due date.
    - ii. The Reach Up household's current landlord is the property owner or manager of the dwelling unit now occupied by the Reach Up household and its possessions.

- iii. This property owner or manager remains the current landlord until the Reach Up household has vacated this dwelling unit and removed its possessions from the unit.
- 2. The health and safety of the child is at risk by the inability of the parent or caretaker to regularly meet basic financial obligations, including:
  - i. Rent, tax, or mortgage payments;
  - ii. Utility payments; and
  - iii. The provision of adequate food and clothing.
- c. When a Reach Up household is about to be converted to, or has already been converted to, protective payments due to difficulty with money management, the Department should take no action that would cancel the Reach Up household's conversion to protective payments or terminate its existing rent vendor payment status.
- d. If failure to pay bills is threatening the loss of shelter or necessary services, including a pattern of nonpayment of rent, these conditions are sufficient to justify budget assistance through a protective payment plan.
- e. Budget assistance through a protective payment plan may be warranted even when the Reach Up benefit does not cover the household's full rent.

**2220.2 Rebuttal of Budget Assistance Determination**

- a. The parent or caretaker will have at least ten days to rebut the Department's decision to implement budget assistance through a protective payment plan before the Department may take action.
- b. The decision to start protective payments may be rebutted when a parent or caretaker can demonstrate one of the following:
  - 1. Payment was not made because the Reach Up household experienced an emergency event that required the use of funds;
  - 2. Payment was withheld because of a legitimate landlord-tenant dispute (see subsections (c) through (h) below); or
  - 3. Payment was not made, however, the Reach Up household is making a good faith effort to pay for essential expenses, which currently exceed their benefits and available gross income.
    - i. Benefits and gross income would include all those benefits available to the Reach Up household to meet needs, including all earned and unearned income.
    - ii. Essential expenses include:
      - A. Rent;
      - B. Mortgage and mortgage insurance;
      - C. Taxes;



- D. Fuel;
  - E. Electricity;
  - F. Water;
  - G. Sewer;
  - H. Basic telephone service;
  - I. Non-reimbursed medical expenses;
  - J. Non-reimbursed work-related childcare expenses;
  - K. Food in an amount equal to the 3SquaresVT Thrifty Food Plan; and
  - L. Actual and reasonable school expenses, including the cost of a uniform not provided by the school and required for a specific school activity in which a Reach Up household member participates.
- c. A legitimate landlord-tenant dispute is established when the parent or caretaker has arranged to pay rent in one of the following methods:
- 1. Into an escrow account with their attorney;
  - 2. Into an escrow account with a bank, if the landlord agrees;
  - 3. Into a separate bank account, if the landlord does not agree; or
  - 4. To the court, if so ordered, until such time as the dispute is resolved.
- d. A landlord-tenant dispute is considered legitimate when:
- 1. The landlord fails to comply with their obligations of habitability;
  - 2. The tenant gave the landlord actual notice of the noncompliance;
  - 3. The landlord fails to make repairs within a reasonable time, and the noncompliance materially affects health and safety;
  - 4. The noncompliance is not caused by the negligence or deliberate action or omission of the tenant or of a person on the premises with the tenant's consent; or
  - 5. The payment of rent was diverted to pay for documented repairs, fuel, or utilities that are the landlord's responsibility and affect the health and safety of the child.
- e. If a Reach Up household is already on controlled vendor payments (CVP) when a legitimate landlord-tenant dispute arises, the parent or caretaker must set up and pay rent pending the resolution of the dispute in one of the following ways:
- 1. Into an escrow account with an attorney;
  - 2. With a bank if the landlord agrees; or
  - 3. To the court, if so ordered.

- f. If a parent or caretaker on CVP does not arrange to hold the rent pending the resolution of the dispute, the Department shall hold the money.
- g. Rent payments set aside to pay rent pending resolution of a legitimate landlord-tenant dispute are excluded as a resource (rule 2257), but once the dispute has been resolved, withheld rent payments not paid for shelter are counted as a resource.
- h. The landlord-tenant dispute is resolved when the landlord's noncompliance is corrected.

**2220.3 Protective Payee**

- a. A protective payee shall be appointed or terminated by the Department.
- b. All protective payee appointments shall include:
  - 1. A protective payment agreement defining the responsibilities and objectives of the plan;
  - 2. The authority of the payee;
  - 3. Reporting responsibilities;
  - 4. Recognition of the rights of the participant; and
  - 5. Terms outlining the confidentiality of the relationship.
- c. The protective payee appointment shall be terminated when:
  - 1. The participant is considered able to manage funds in the best interests of the child;
  - 2. A legal guardian or legal representative is appointed to serve the best interests of the participant;  
or
  - 3. In the judgement of the Department, the protective payee is not performing their responsibilities in the best interests of the participant.
- d. The protective payee has the authority to make decisions about the expenditures of the Reach Up benefits.
  - 1. The payee may make the actual expenditures independently, after joint discussion with the participant, or supervise the participant's spending.
  - 2. Actual current shelter costs should be met first, then other basic needs such as food, heat, water, electricity, and clothing.
  - 3. Any balance may be applied toward other needs.
- e. Assumption of payments on behalf of the participant by a protective payee shall not constitute a contractual arrangement between the Department or the protective payee and any providers of service to the participant.

**2220.4 Payee Selection Criteria**

- a. Selection of the protective payee shall be with the participant's input and consent, to the extent possible, and based on the following considerations:
  - 1. Interest or concern in the welfare of the Reach Up household;
  - 2. Ability to help the Reach Up household make proper use of the Reach Up benefit;
  - 3. Availability to work with the Reach Up household;
  - 4. Ability to establish and maintain a positive relationship with the Reach Up household; and
  - 5. Dependability of the person to handle highly confidential information.

**2220.5 Payee Conflict of Interest Limitation**

- a. To avoid a conflict of interest, the following individuals are prohibited from serving as a payee:
  - 1. Department staff, except as allowed in subsection (b);
  - 2. Landlords, grocers, and other vendors of goods and services who deal directly with the participant; and
  - 3. The eligibility worker determining financial eligibility for the individual, special investigative or resource staff, or staff handling fiscal processes related to the recipient.
- b. Qualified employees of the Department may serve as protective payees only when no other suitable individual is available.
  - 1. When a Department employee is selected, efforts to find another payee outside the Department should continue.
  - 2. The case record must show continuing effort to secure a payee outside the Department and the reason such efforts have not been successful.

**2220.6 Controlled Vendor Payments (CVP)**

- a. The Department manages the Reach Up benefits through the controlled vendor payment system (CVP) by authorizing payments or vendor authorizations to pay bills and obtain basic needs.
- b. The Department places Reach Up households on CVP when:
  - 1. Difficulty in money management (rule 2220.1) precludes payment of benefits directly to the Reach Up household, a budget assistance determination has been made, and no protective payee has been appointed;
  - 2. A participant is sanctioned for noncooperation with Reach Up participant requirements (Reach Up Services rule 2312), and housing costs must be vendored;
  - 3. A parent or caretaker is temporarily absent from the home (rule 2228.1), and housing costs must be vendored; or
  - 4. A parent or caretaker requests direct payment, and the following circumstances exist:

- i. The Reach Up benefit is sufficient to make the requested payments in full;
  - ii. The provider of housing or other services agrees to accept payment on the same schedule as Reach Up payments are made; and
  - iii. The provider agrees to the condition that direct payment may cease without notice from the Department to the provider.
- c. The Department cannot spend more than the authorized Reach Up benefit amount, but the Department may spend less and carry the unspent balance forward to a future month as necessary to budget for one-time expenses such as property taxes, mortgage insurance, and one-time resolution of a landlord-tenant dispute.
- d. In making payments on behalf of the Reach Up household, the Department shall first pay actual current shelter expenses before other disbursements are made.
- e. For households placed on CVP, 60 percent of the Reach Up benefit is available on the 1<sup>st</sup> of the month, and 40 percent on the 16<sup>th</sup> of the month, except for the following households:
  1. Households where OCS collects child support on behalf of the child may receive 100% of their benefit on the 1<sup>st</sup> of the month, or, if sanctioned, after meeting with their case manager; or
  2. Households under sanction for noncooperation with Reach Up services may receive their shelter expense paid up to their full Reach Up benefit and 60 percent of any remaining Reach Up benefit after meeting with their case manager, with 40 percent of any remaining Reach Up benefit paid on the 16<sup>th</sup> of the month.
- f. At the discretion of the Department, taking into consideration the portion of benefits available at a given time of the month, a schedule of rent payments may be established to ensure that rent payments are kept current.
- g. If a protective payee is appointed, any balance remaining in the account is paid to the payee.
- h. Assumption of payments on behalf of the Reach Up household by the Department shall not constitute a contractual arrangement between the Department and any providers of service to the Reach Up household.

#### **2220.7            Reconsideration of Protective Payments**

- a. Reconsideration by the Department of the need for protective payments and the way in which a protective payee's responsibilities are carried out shall be at the request of the Reach Up household or at the household's recertification.
- b. Once difficulty in money management results in budget assistance through a protective payment plan, protective payments will continue until the Reach Up household's essential expenses are current (rules 2220.1 and 2220.2).
- c. When a Reach Up household informs the Department of the household's intent to move, the

Department should explain the following:

1. Moving does not automatically mean that the protective payments will end; and
  2. If the Reach Up household follows through with their intent to move, the Department will end protective payments only after the Department verifies with the landlord that the Reach Up household and their possessions have in fact moved from their current dwelling unit.
- d. Vendor payments shall terminate when a court has issued an eviction order.
- e. The Department shall discuss judicial appointment of a legal representative with the Reach Up household if it appears that the appointment of a legal representative would be more beneficial to the household than protective payments.

**2221 Eligible Child**

- a. An eligible child is defined as an individual who meets all Reach Up criteria of need, age, and residence.
- b. An individual qualifies under the age criterion as an eligible child if they are under 18.
1. In addition, an 18-year-old child is eligible if they are a full-time student in a secondary school, or an equivalent educational program, and the child is expected to complete high school or the equivalent program before reaching their 22nd birthday.
  2. An eligible child under subsection (b)(1) above remains eligible for Reach Up benefits for the full calendar month they graduate high school or complete their educational program.
  3. Children who are not full-time secondary school students on the day before their 18th birthday remain eligible for Reach Up benefits for the full calendar month during which their 18th birthday occurs.
- c. An otherwise eligible 18-year-old child with a documented disability continues to be eligible for Reach Up benefits as follows:
1. If they are a full-time student in a secondary school, or an equivalent educational program, and the child will not complete high school or the equivalent program before their 22nd birthday solely because of their disability.
  2. An eligible child under subsection (c)(1) above remains eligible for Reach Up benefits for the full calendar month during which their 22nd birthday occurs.
- d. Disability is defined according to the Americans with Disabilities Act as follows:
1. A physical or mental impairment that substantially limits one or more major life activities of such individual;
  2. A record of such an impairment; or
  3. Being regarded as having such an impairment.
- e. The following children are considered to have a disability under the ADA definition:
1. A child with a learning disability; or

2. Any child who receives or has received special education.
- f. To determine if the child receives or has received special education services, it is necessary to verify that the child has or had an Individualized Education Program (IEP) or 504 Plan through their school district.
  1. The parent must provide a copy or documentation of the current or prior IEP or 504 Plan from the school.
  2. If a parent contends that a disability resulted in the child's inability to graduate before the child's 19th birthday, but no IEP or 504 Plan was put in place, to determine eligibility the Department requires that the parent provide documentation from the child's doctor and the school that supports the parent's contention.
- g. Minor parents receiving their own benefits do not meet the definition of an eligible child because they are not considered in need as defined by rule 2237.
- h. An eligible child must live with a parent or caretaker.
- i. A parent or caretaker may apply for Reach Up benefits on behalf of a child, who is not yet in the home or is temporarily absent from the home.
- j. Eligibility for Reach Up benefits may continue, in certain circumstances, during the temporary absence of either the child or parent or caretaker from the home.
- k. Physical aspects of the home and care of the child that appear to be below minimum standards of health and safety shall not limit eligibility as long as the child lives with the parent or caretaker.
  1. Improvement of detrimental conditions shall be attempted through casework and related services.
  2. Protective action shall be initiated if hazardous conditions continue, under applicable laws and regulations.
- l. Children receiving SSI/AABD are not eligible for Reach Up benefits.

**2222 Eligible Parent**

- a. An eligible parent is defined as an individual who:
  1. Is a parent (rule 2201), who lives in the same household with one or more eligible child (rule 2221);
  2. Is not receiving SSI/AABD program benefits; and
  3. Has met all other eligibility requirements set forth by these rules.
- b. The parent of a disabled child receiving SSI/AABD program benefits is also an eligible parent.
- c. A pregnant person having no children in their household would be an eligible parent if they meet the exception requirements in rule 2235.

1. The other parent living with a pregnant person in a household with no other children is not considered an eligible parent until the expected child is born.
- d. A parent whose parental rights to all eligible children in the household have been terminated does not qualify as an eligible parent.
- e. When the needs of a minor parent are met through their own Reach Up benefit, the parent of the minor parent does not qualify as an eligible parent in relation to the minor parent.

**2223 Eligible Caretaker**

- a. An eligible caretaker is a relative or unrelated adult acting in the role of a parent and must meet the following conditions:
  1. An eligible caretaker must be a person who is fulfilling a parental role that is in the best interest of the child and is providing physical care, guidance, and decision-making related to the child's health, school, medical care, and discipline.
    - i. If a parent of the child can be reached, the decision to name a caretaker will be made after consultation with that parent.
    - ii. The best interest of the child will be presumed when:
      - A. The child's life is able to continue as normally as possible in the absence of one or both parents;
      - B. There is no substantiated evidence of child abuse or neglect, and there is no evidence of violence or criminal behavior by the caretaker; and
      - C. There is a pre-existing relationship with the child and the child's parent(s).
  2. An eligible caretaker must be a person who is fulfilling a parental role because:
    - i. The parent is not in the home due to death;
    - ii. The parent is unable to provide guidance due to incarceration or extreme illness;
    - iii. The child has been abandoned, and there is no available relative able to care for the child;
    - iv. Placement of the child with a relative would be considered unsuitable; or
    - v. The caretaker is a more appropriate choice than an available relative due to the child's existing relationship to the caretaker and/or the caretaker's ability to provide quality care and guidance to the child.

**2224 Shared Custody**

- a. In most cases, the eligible parent will be determined according to the Parental Rights and Responsibilities (PR&R) Agreement, regardless of where the parents claim the child is actually living.

- b. When two parents share custody of a child, and both parents have applied for Reach Up benefits and have claimed the same child as a member of their Reach Up household, the eligible parent shall be determined according to the following list:
1. When one parent has sole legal and physical responsibility pursuant to a PR&R Agreement, then that parent is the eligible parent.
  2. When one parent has physical responsibility for the child more than half of the time pursuant to a PR&R agreement, then that parent is the eligible parent.
  3. When the parents equally share physical responsibility for the child pursuant to a PR&R agreement, then the parent who applies first is the eligible parent.
  4. When the parents equally share physical responsibility for the child in the absence of a PR&R agreement, then the parent who applies first is the eligible parent.
  5. Custody situation and eligible parent table:

<b>Custody Situation</b>	<b>Eligible Parent</b>
One parent has sole legal and physical responsibility pursuant to a Parental Rights and Responsibilities (PR&R) Agreement	The parent with sole legal and physical responsibility is the eligible parent.
One parent has physical responsibility for the child more than half of the time pursuant to a PR&R agreement.	The parent with physical responsibility for more than half of the time is the eligible parent.
The parents equally share physical responsibility for the child pursuant to a PR&R agreement.	The parent who applies first is the eligible parent.
The parents equally share physical responsibility for the child in the absence of a PR&R agreement.	The parent who applies first is the eligible parent.

- c. When a parent, who does not have physical responsibility for a child more than half of the time, but the child is spending at least 15 nights per month or the equivalent, in that parent’s household, is the only parent to apply for Reach Up benefits, that parent will remain the eligible parent until the other parent applies for benefits and claims the child as a member of the household.
- d. When there is a dispute between the parents as to the division of physical responsibility, in the absence of a PR&R agreement, the first parent to apply for Reach Up benefits will remain the eligible parent unless the other parent provides sufficient evidence to verify that the child primarily lives in their household.
  1. Adequate verification evidence includes:



- i. Current childcare records;
  - ii. Current school records;
  - iii. Current medical records; or
  - iv. Collateral statements from neighbors.
- e. When adequate verification has been submitted by the second parent that is sufficient to prove that the child primarily lives in the second parent's household, the first parent shall be given ten days to provide verification proving that the child primarily resides in the first parent's household.
- 1. If the first parent's household does not provide verification proving that the child primarily resides in that household, the parent in the second household shall be the eligible parent.

**2225 Minor Parent Households**

- a. A minor parent shall be allowed to have their eligibility determined separately from their parent or caretaker, regardless of whether the minor parent is living in their parent's or caretaker's household and regardless of whether the parent or caretaker is eligible for Reach Up benefits.
- b. The minor parent may choose to be the payee of the Reach Up benefit, otherwise one of their parents or caretakers shall be designated as the alternate payee.
- c. Minor parents may choose to be included in their parent's or caretaker's Reach Up household and shall be subject to the requirements in Reach Up Services rule 2319 and not considered out-of-school youth under Reach Up Services rule 2320.
- d. If, during an eligibility determination process or review of eligibility, the minor parent states that living in the parental home is unacceptable, the minor parent shall not be asked to explain the reasons behind this assessment.
- e. Minor parents not living in an approved living arrangement at the time of application, who do not have good cause in Reach Up Services rule 2319.3 for living independently, may be granted Reach Up benefits for 30 days if all other eligibility factors are met.
- f. If the minor parent is not living in an approved living arrangement at the end of the 60-day period, including the 30-day grace period, is not exempt, and is not cooperating with the case manager, the Reach Up household's benefits shall be subject to fiscal sanctions (Reach Up Services rule 2328).

**2226 Eligible Reach Up Essential Caregiver**

- a. An individual, other than the parent of an eligible child or spouse, is considered an essential caregiver and shall be included in the Reach Up household if they fulfill all of the following criteria:
  - 1. Live in the same household with the applicant or participant;

2. Are not eligible for SSI/AABD or Reach Up benefits, but are in need, according to Reach Up eligibility standards; and
3. Furnish essential care and/or services that:
  - i. The applicant or participant cannot perform on their own;
  - ii. Are deemed essential; and
  - iii. Would need to be provided if the essential caregiver were not in the same household.
- b. Types of essential care and/or services include:
  1. The provision of child care that enables the applicant or participant to work on a full-time paid basis outside the home;
  2. Care for a disabled or seriously ill member of the Reach Up household in the home;
  3. The provision of child care that enables the applicant or participant to attend training or postsecondary education full time;
  4. The provision of child care that enables the applicant or participant to attend high school or equivalent educational classes full-time; or
  5. The provision of child care, not to exceed a period of two months, that enables the applicant or participant to participate in a job search or other Reach Up activities.
- c. To determine the need of an eligible Reach Up essential caregiver see rule 2237.

**2227 Home**

- a. A home is defined as the Reach Up household setting maintained, or in the process of being established, in which the parent or caretaker assumes responsibility for care and supervision of the child.
- b. Lack of a physical home, as in the case of a family experiencing homelessness, is not by itself a basis for disqualification from eligibility for Reach Up benefits.
- c. The child and parent or caretaker normally share the same physical home.
- d. A home shall also be considered to exist, in certain circumstances, during the temporary absence of either the child or parent/caretaker from the physical home (rule 2228).

**2228 Temporary Absence from the Home**

- a. In all cases where a child or parent/caretaker is or will be absent from the home for a period of 30 days or more, the parent or caretaker must notify the Department of the following:
  1. The reason for the absence;
  2. The designation of the protective payee, if applicable; and

3. The parent's or caretaker's intent to maintain a home for the child during the absence.
- b. All temporary absences of a child or parent/caretaker exceeding 30 days shall be subject to verification and approval by the Department.
- c. The expectation of temporary absences of a child or parent/caretaker must not exceed 180 consecutive days.
  1. Counting the 180 consecutive days begins on:
    - i. The date the child or parent/caretaker leaves the home; or
    - ii. The first day Reach Up benefits were approved when the child or parent/caretaker has previously been absent from the home prior to receiving Reach Up benefits.

**2228.1 Temporary Absence of a Parent or Caretaker**

- a. A temporary absence of a parent or caretaker from the home for a period of greater than 30 days, but not expected to exceed 180 consecutive days, is limited to the following:
  1. The parent or caretaker is receiving inpatient or outpatient care from a hospital;
  2. The parent or caretaker is receiving inpatient or outpatient care from a substance abuse treatment facility; or
  3. The parent or caretaker is receiving inpatient or outpatient care from another medical institution.
- b. The parent or caretaker, who is temporarily absent from the home for any of the above reasons, may receive Reach Up benefits if the following criteria are met:
  1. The parent or caretaker continues to maintain a home, including lack of a physical home, and be responsible for the child;
  2. The parent or caretaker has arranged for a responsible adult to care for the child and to be designated as the protective payee of the Reach Up benefits during the absence;
  3. The parent or caretaker plans to return to the home at the end of the absence; and
  4. The Reach Up household continues to meet all other eligibility requirements for Reach Up benefits.
- c. If the Reach Up household is homeless, and the parent or caretaker is temporarily absent for any of the above reasons, the parent or caretaker may receive Reach Up benefits if they continue to be responsible for the child and meet criteria (b) 1 through 4 above.
- d. A parent or caretaker, who is temporarily absent from the home for reasons other than to receive medical care as specified above, may receive Reach Up benefits for a period not to exceed 30 days.
- e. For absences beyond 30 days, the Department shall provide housing expenses by vendor payment if

- a housing allowance is included in the Reach Up benefits.
  - 1. Housing expenses include rent, mortgage, property taxes, insurance, allowable maintenance and repair, and room and board.
  - 2. If there is any balance remaining after the housing expenses are deducted, the remaining amount shall be paid to the designated protective payee in two payments.
  - 3. Sixty percent of any remainder shall be paid within the first half of the calendar month and forty percent within the second half of the month.
  
- f. During the temporary absence of a parent or caretaker, basic needs shall be included in the Reach Up budget, according to applicable standards, as follows:
  - 1. Allowance for continuing needs of eligible children cared for in their own home or in a temporary placement by a responsible adult;
  - 2. Allowances for continuing needs of the parent or caretaker; and
  - 3. Allowances for maintenance of the Reach Up household's home.
  
- g. Reach Up benefits will terminate when the parent or caretaker has been absent from the home for more than 180 consecutive days.

**2228.2 Temporary Absence of a Child**

- a. A temporary absence of a child from the home not expected to exceed 180 consecutive days is limited to the following:
  - 1. The child is placed in the custody of the Department pursuant to a court order and reunification with the parent or caretaker is the goal;
  - 2. The child is voluntarily placed outside of the home; or
  - 3. The child is incarcerated.
  
- b. A temporary absence of a child from the home exceeding 180 consecutive days is limited to:
  - 1. A child attending school pursuant to rule 2244.2; or
  - 2. A child receiving care in a hospital, substance abuse treatment facility, or other medical institution.
  
- c. When a child is temporarily absent from the home for any of the above reasons, the parent or caretaker may receive Reach Up benefits on behalf of the absent child as long as the following criteria are met:
  - 1. The parent or caretaker, with whom the child is living, continues to maintain a home for the child;

2. The parent or caretaker plans for the child to return to the home at the end of the absence; and
  3. The Reach Up household continues to meet all other eligibility requirements for Reach Up benefits.
- d. Reach Up benefits on behalf of a child, who is temporarily absent from the home for reasons other than those specified above, including out-of-home visits, will terminate after 30 days.
  - e. Basic needs shall be included in the Reach Up budget as though the child were living in the home of the parent or caretaker.
  - f. Except as provided in subsection (b), Reach Up benefits on behalf of the child will terminate when the child has been absent from the home for more than 180 consecutive days.
    1. For children placed in the custody of the Department, Reach Up benefits will terminate when reunification is no longer the goal or the parental rights have been terminated by the court.
    2. Reach Up benefits on behalf of a child who is away from home for more than 180 consecutive days for the reasons in subsection (b) above may continue solely through the State-funded program.

**2228.3 Separation of Child and Parent/Caretaker from the Home at Time of Application**

- a. Reach Up benefits may be approved for an applicant if the child and parent/caretaker will be living together in the home within 30 days after approval of the first Reach Up benefit.
- b. The Department may exercise its discretion to extend this time period up to 180 days so unique situations may be addressed on an individual basis, but has no obligation to do so.

**2229 Residence**

- a. To be eligible for Reach Up benefits, an individual shall be a resident of Vermont at the time of application.
- b. A resident of Vermont is defined as an individual who is domiciled voluntarily within Vermont regardless of the duration of such domicile.
- c. To be domiciled is to be physically present in Vermont with the intent to make Vermont one's home.
- d. A new resident of Vermont that applies and is eligible for Reach Up, but is receiving TANF benefits from another state, may be found eligible and benefits should be computed for the overlapping periods, if the benefits from the other state are scheduled to end.
  1. If the payment level in the other state equals or exceeds the Reach Up benefit amount, the Reach Up application must be denied for the overlapping period, and Reach Up benefits can be reconsidered for when the other state benefits are scheduled to end.

2. If the Reach Up benefit amount exceeds that of the other state, the balance must be given in a benefit for the overlapping period.
- e. Vermont residency is retained until abandoned, which is defined as a move outside Vermont with the intent to domicile outside Vermont.
- f. Vermont has no citizenship requirements to be a resident.
- g. To be eligible for Reach Up benefits, a Vermont resident must also be a citizen or national of the United States or a qualified immigrant under rule 2230 and federal law.
- h. A member of the Reach Up household shall retain Vermont residency despite temporary absence from Vermont for any of the following reasons:
  1. Visiting;
  2. Obtaining necessary medical care;
  3. Obtaining education; or
  4. Training sponsored under a program of vocational rehabilitation, work incentive or higher education.
- i. In all cases where a member of the Reach Up household is to be temporarily absent from Vermont for a period of 30 days or more, they must notify the Department, advising of their new location, mailing address, and residency intent.
  1. Failure to notify the Department of a temporary absence from Vermont may cause delay in receipt of Reach Up benefits or the inability to determine continued eligibility.

**2229.1 Residence of Child in Custody**

- a. Vermont is the residence of a child placed in the custody of the Department, pursuant to a court order, regardless of where the child is actually living.
- b. A Reach Up household may receive Reach Up benefits under rule 2228.2 for a child committed to the care and custody of another state, if the plan is to reunify the household in Vermont.

**2230 Citizenship and Immigration Status**

- a. To be eligible for Reach Up benefits, an individual shall be:
  1. A citizen or national of the United States; or
  2. A qualified immigrant.
    - i. Qualified immigrant shall have the same meaning as a “qualified alien” under 8 U.S.C. §

1641.

- b. Reach Up applicants must declare citizenship and immigrant status on the Reach Up application.
  - 1. Non-citizens must provide documentation of immigration status.
  - 2. The Department must verify the immigration status of every non-citizen in a household using SAVE (Systematic Alien Verification for Entitlements) or another immigration status verification system established by the federal government.
    - i. Once identity and immigration status are verified, the applicant will not be required to provide additional proof of immigration status or identity.
- c. For purposes of these rules, a “non-citizen” is a person who is not citizen or national of the United States.
- d. A “citizen or national of the United States” is:
  - 1. An individual born in the 50 states, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, American Samoa, or Swains Island, except for individuals born to foreign diplomats;
  - 2. A naturalized citizen;
  - 3. An individual who otherwise qualifies as a citizen of the United States under § 301 of the Immigration and Nationality Act (INA), 8 U.S.C. 1401; or
  - 4. An individual who otherwise qualifies as a national of the United States under § 308 of the INA, 8 U.S.C. § 1408.
- e. A “qualified immigrant” is:
  - 1. A non-citizen granted Permanent Resident Alien Status under the INA;
  - 2. A non-citizen granted asylum under § 208 of the INA;
  - 3. A refugee admitted to the United States under § 207 of the INA;
  - 4. A non-citizen paroled into the United States under § 212(d)(5) of the INA for a period of at least one year;
  - 5. An immigrant whose deportation has been withheld under:
    - i. Section 243(h) of the INA, as in effect prior to April 1, 1997; or
    - ii. Section 241(b)(3) of the INA, as amended by § 305(a) of division C of Public Law 104-208;
  - 6. An immigrant granted conditional entry under § 203(a)(7) of the INA, as in effect prior to April 1,

- 1980;
7. A Cuban or Haitian entrant, as defined in § 501(e)(2) of the Refugee Education Assistance Act of 1980;
  8. A non-citizen who (or whose child or parent) has been battered or subjected to extreme cruelty in the United States and otherwise satisfies the requirements of 8 U.S.C. § 1641(c);
  9. A victim of a severe form of human trafficking who has been certified or received an eligibility letter by the U.S. Office of Refugee Resettlement;
  10. An Amerasian immigrant admitted to the United States under § 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988, as amended; or
  11. Any other non-citizen whom Congress permits to receive temporary assistance for needy families under part A of title IV of the Social Security Act.
- f. Except as provided in subsection (g), qualified immigrants are not eligible for Reach Up benefits for five years from the date they entered the United States or the date they became a qualified immigrant if they were not qualified immigrants upon entrance.
- g. The following qualified immigrants do not have to wait five years before they may be eligible for Reach Up benefits:
1. A refugee admitted to the United States under § 207 of the INA;
  2. A non-citizen granted asylum under § 208 of the INA;
  3. An immigrant whose deportation has been withheld under:
    - i. Section 243(h) of the INA, as in effect prior to April 1, 1997; or
    - ii. Section 241(b)(3) of the INA, as amended by § 305(a) of division C of Public Law 104-208;
  4. A Cuban or Haitian entrant, as defined in § 501(e)(2) of the Refugee Education Assistance Act of 1980;
  5. An Amerasian immigrant admitted to the United States under § 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988, as amended; or
  6. A qualified immigrant who is:
    - i. An honorably discharged veteran who fulfills the minimum active-duty service requirements of 38 U.S.C. § 5303A(d);
    - ii. An active duty member of the Armed Forces of the United States, other than active duty for training; or



- iii. The spouse, un-remarried surviving spouse, or unmarried dependent child of a veteran or member, as described above.
  - A. An un-remarried surviving spouse does not have to wait five years for benefits only if the spouse was married to a veteran or member, as described above:
    - 1. Before the expiration of 15 years after the termination of the period of service in which the injury or disease causing the death of the veteran was incurred or aggravated;
    - 2. For one year or more; or
    - 3. For any period of time if a child was born of the marriage or was born to them before the marriage.
- h. No immigrant or non-citizen is eligible for Reach Up benefits unless that person is a qualified immigrant.
  - 1. An immigrant illegally residing in the United States does not qualify for Reach Up benefits.
- i. Rule 2230 shall be construed in accordance with federal law, and in the event of a conflict, federal law controls.

**2231 Social Security Numbers**

- a. For a Reach Up household to be eligible for Reach Up benefits, all members of the Reach Up household must provide, verify, or apply for a social security number.
- b. The Department will notify applicants/participants that it uses social security numbers in the administration of Reach Up benefits.
- c. The Department will advise applicants/participants how to apply for social security numbers and will not delay, deny, or discontinue Reach Up benefits while the issuance and verification of such numbers is pending.

**2232 Child and Spousal Support**

- a. Physical absence of a parent from the home, for any reason, does not relieve the parent or spouse of legal responsibility for support of a dependent child.
- b. A debt is created to the Department by the noncustodial parent or former spouse when they are responsible, and not paying, for a child support or spousal support obligation and their dependent child or former spouse is receiving Reach Up benefits in another household.
  - 1. The amount of debt owed shall equal the amount of Reach Up benefits paid, unless the following conditions exist:
    - i. The Family Court rules otherwise;

- ii. The Office of Child Support (OCS) enters into a voluntary agreement with the responsible parent to limit the debt; or
- iii. The noncustodial parent or spouse presents a court order that limits said debt.

**2232.1 Assignment of Support Rights**

- a. Assignment of support rights is the legal procedure by which a person receiving Reach Up benefits agrees to turn over to the Department any right to support, including arrearages, paid by the noncustodial parent or former spouse in exchange for receipt of Reach Up benefits.
  - 1. The Department will use a portion of such support to cover or recoup the Reach Up benefits.
- b. Assignment of support rights is a condition of eligibility for Reach Up benefits.
  - 1. This requirement applies to parents/caretakers and may not be waived.
  - 2. This requirement applies to support from all noncustodial parents or former spouses of all members of the Reach Up household.
- c. In a Reach Up household with two eligible parents, where one or more of the children has a noncustodial parent, the parent recognized under 15C V.S.A. § 102(16) will sign the assignment of child support rights form, regardless of which parent is the Reach Up head of household.

**2232.2 Cooperation with the Office of Child Support**

- a. A parent/caretaker shall be required to cooperate with the Office of Child Support (OCS) in establishing parentage and pursuing child support from any noncustodial parent, unless a request for a waiver from the requirement to cooperate is made.
- b. Failure to cooperate, as determined by OCS, shall result in a 25 percent reduction of the Reach Up household's benefit.
- c. Areas in which the parent's/caretaker's cooperation is required include:
  - 1. Identifying and locating the noncustodial parent of the child in the custody of the parent/caretaker;
  - 2. Establishing the parentage of any child in the custody of the parent/caretaker;
  - 3. Obtaining child support payments for the child in the custody of the parent/caretaker;
  - 4. Obtaining any other payments or property owed to the parent/caretaker or the child;
  - 5. Appearing at times and places as requested to provide information or be a witness at a judicial hearing; and

6. Paying to OCS any child support payments received after an assignment of support has been made.
- d. The Department shall notify OCS of all noncustodial parents of the parent's/caretaker's children in their custody unless a request for a waiver from the requirement to cooperate is pending.
  1. The Department must notify the parent/caretaker of the right to request a waiver based on good cause (rule 2232.3) as an exception to the cooperation requirement.
- e. Information provided to OCS is subject to verification with the parent/caretaker.

**2232.3 Good Cause for Refusal to Cooperate**

- a. The Department shall excuse a parent/caretaker from cooperating with OCS when there is good cause for noncooperation.
- b. Good cause exists when the Department determines that cooperation is not in the best interest of the child because it may result in any one of the following:
  1. Physical or emotional harm to the child;
  2. Physical or emotional harm to the parent/caretaker; or
  3. At least one of the following circumstances exists:
    - i. The child was conceived as a result of incest or rape;
    - ii. Legal proceedings for the adoption of the child are pending; or
    - iii. The parent/caretaker is determining an adoption plan.

**2232.4 Request for a Child Support Waiver**

- a. A parent/caretaker requesting a child support waiver must provide sufficient information to allow the Department to determine if good cause exists.
- b. A Reach Up household that is fully cooperating shall not have their Reach Up benefits denied, reduced, or delayed pending the Department's child support waiver decision.
  1. This decision will be made within 30 days from the date the child support waiver is requested, except when the required information cannot be obtained within that time frame.
- c. Upon request, the Department will provide reasonable assistance in obtaining information to support the child support waiver.
- d. The Department may verify the information received or seek additional information necessary to evaluate a child support waiver.

- e. In processing requests for the child support waiver, the Department will:
  - 1. Only contact noncustodial parents if such contact is necessary to establish the child support waiver; and
  - 2. Notify the parent/caretaker of the child, prior to making such necessary contact, to enable the parent/caretaker to:
    - i. Present additional information so that contact with the noncustodial parent becomes unnecessary;
    - ii. Agree to the contact;
    - iii. Withdraw the household's application for Reach Up benefits; or
    - iv. Refuse to allow the contact after being advised that this refusal will result in denial of the child support waiver.
- f. The Department will base a child support waiver determination on documentation, such as:
  - 1. Law enforcement records;
  - 2. Court documents;
  - 3. Criminal records;
  - 4. Birth certificates;
  - 5. Medical records;
  - 6. Social service or child protective services records; or
  - 7. Supporting statements from individuals, other than the parent/caretaker, with knowledge of the circumstances.
- g. If additional information is needed, the Department must promptly notify parent/caretaker of the type of documentation required.
- h. The Department will investigate claims of anticipated emotional or physical harm to the child or parent/caretaker, even when no information is submitted to support the child support waiver.
- i. OCS is prohibited from attempting to establish parentage or collect child support in cases where the parent/caretaker requests a child support waiver until a decision has been made regarding the waiver request.

**2232.5 Review of Child Support Waivers**

- a. The Department shall review child support waivers at each recertification unless a waiver has been granted for the lifetime of the parent/caretaker.
- b. The parent/caretaker must submit current information if a significant change of circumstances relative to the child support waiver has occurred.

**2232.6 Termination of Benefits Due to Child Support**

- a. If a Reach Up household's benefit was terminated because of countable child support in excess of the Reach Up benefit, either alone or in combination with another reason affecting income eligibility, the household will enter a 12-month administrative period.
  - 1. The administrative period begins with the first full calendar month following the effective date of the Reach Up termination and lasts 12 consecutive months.
- b. During this 12-month administrative period, the Department shall reinstate the Reach Up household's benefit effective the first day of the month when all the following conditions are met:
  - 1. The Reach Up household becomes eligible for Reach Up benefits during that month solely because of a loss or reduction of child support;
  - 2. The Reach Up household has been ineligible for Reach Up benefits since the termination;
  - 3. The Reach Up household requests reinstatement by the 20<sup>th</sup> day of the month following the month in which the loss or reduction of child support first occurred; and
  - 4. The Reach Up household returns the forms required for reinstatement by the end of the month in which they request reinstatement.
- c. During the 12-month administrative period, OCS shall distribute current child support payments collected on behalf of the former Reach Up household to them within two days of receipt.

**2233 Special Cases of Ineligibility**

- a. Regardless of whether they meet all other eligibility requirements for Reach Up benefits, special cases exist where individuals and households are ineligible for Reach Up benefits.

**2233.1 Strike Participants**

- a. The term "strike" includes any strike or other concerted stoppage of work by employees, including a stoppage due to:
  - 1. The expiration of a collective bargaining agreement; or
  - 2. Any concerted slowdown or other interruption of operations by employees.
- b. Participating in a strike means the act of stopping, slowing, or otherwise interrupting work with

others to obtain demands from the member's employer.

- c. The Department will deny or terminate benefits to a Reach Up household in which an adult household member is on strike.
  - 1. If another member of the Reach Up household is on strike, the needs of that member will be removed from the Reach Up benefits payable to the household.
  - 2. The Department will consider such member's income and resources available to the Reach Up household if the member is legally liable for a child in the Reach Up household.
- d. Closure or reduction of the Reach Up benefits will apply to the period in which the member is participating in a strike as soon as administratively possible.

**2233.2 Convicted of Fraudulent Residence**

- a. The Department will deny or terminate Reach Up benefits to individuals convicted in federal or state court of having made a fraudulent statement or representation with respect to their place of residence to receive benefits simultaneously from two or more states.
- b. Such individuals shall be ineligible for a 10-year period beginning with the date of conviction.
- c. The Department will consider such individuals' income and resources available to the Reach Up household.
- d. Reach Up benefits will not be denied for any month beginning after the President of the United States grants a pardon with respect to the conduct that was the subject of the conviction.

**2233.3 Fugitive Felons and Probation or Parole Violators**

- a. The Department will deny or terminate Reach Up benefits to individuals who flee from justice to avoid detection, prosecution, or punishment after a felony conviction or who violate a condition of probation or parole imposed under federal or state law.
- b. The Department will consider such individual's income and resources available to the Reach Up household.
- c. Reach Up benefits will not be denied for any month beginning after the President of the United States grants a pardon with respect to the conduct that was the subject of the conviction.

**2234 Time Limits**

- a. Reach Up time limits are the maximum number of months a participant may receive Reach Up benefits.
- b. A Reach Up household shall reach their time limits when a participant has received 60 or more countable, cumulative months of Reach Up benefits, or other cash benefits funded by a TANF block grant in another state.

- c. Once a Reach Up household reaches their time limits they are ineligible for Reach Up benefits unless each participant in the Reach Up household is fully engaging in Reach Up participant requirements (if applicable) and is:
  - 1. Not able-to-work as defined in Reach Up Services rule 2301;
  - 2. Caring for a child under one year of age;
  - 3. Affected by domestic violence in accordance with Reach Up Services rule 2323.1;
  - 4. Needed in the home on a full-time basis to care for an ill or disabled parent, spouse, or child in accordance with Reach Up Services rule 2323.3; or
  - 5. Engaged in any of the work activities listed in 33 V.S.A. § 1101(28), with the exception of subsection 1101(28)(L).
- d. A Reach Up household that does not qualify to continue receiving Reach Up benefits pursuant to subsection (c) may be eligible to continue receiving benefits if the Reach Up program director, or the program director's designee, determines, on a monthly basis, that each participant in the Reach Up household is actively participating in Reach Up participant requirements (Reach Up Services rule 2311).
- e. The monthly time limit count for Reach Up benefits begins on July 1, 2001.
  - 1. Each full or partial month for which a participant receives Reach Up benefits counts toward the 60-month time limit.
    - i. An overpayment of a full month of Reach Up benefits, which has been fully repaid, does not count towards the 60-month limit.
  - 2. A month in which only support services are received by an employed participant does not count toward the 60-month time limit.
  - 3. In a two-parent Reach Up household in which the parents have not received Reach Up benefits for the same number of months, the time limit is based on the participant who has received benefits for the greater number of countable months.
  - 4. Benefits received under the Postsecondary Education (PSE), Reach First, and Reach Ahead programs do not count toward the 60-month limit.
- f. A month in which Reach Up benefits are received does not count toward the 60-month time limit if the participant is:
  - 1. not able-to-work as defined in Reach Up Services rule 2301;
  - 2. A parent or caretaker who is caring for a child under one year of age;
  - 3. Affected by domestic violence pursuant to Reach Up Services rule 2323.1; or

4. Needed in the home on a full-time basis to care for an ill or disabled parent, spouse, or child pursuant to Reach Up Services rule 2323.3.

g. The time limit shall not apply in the following cases:

1. Single or two-parent Reach Up households with at least one parent under the age of 18;
2. A dependent child living with a non-parent caretaker, who is not in the Reach Up household; or
3. A dependent child living with a single parent who receives SSI/AABD benefits, or with two parents who both receive SSI/AABD benefits.

**2234.1 Termination after 60 Months**

- a. Reach Up households, who have received 60 or more countable cumulative months of Reach Up benefits, will have their benefits terminated when, without good cause, they are not engaged with Reach Up participant requirements (Reach Up Services rule 2311).
- b. Good cause shall be determined according to Reach Up Services rules 2325 and 2326.

**2234.2 Reapplication after 60 Months**

- a. A Reach Up household whose benefits were terminated after having received 60 or more countable, cumulative months of benefits may be eligible for benefits at any time following termination.
- b. Reach Up benefits shall be paid upon meeting eligibility criteria.

**2235 Formation of the Reach Up Household**

- a. A Reach Up household is defined as one or more individuals whose requirements, income, and resources are considered as a unit to determine need for Reach Up benefits.
- b. A Reach Up household must include one or more eligible dependent children.
  1. In addition, the Reach Up household must include all siblings, including half-siblings, living with the dependent child or children, and qualifying under the age criteria, as defined in rule 2221.
  2. A parent must be included in the Reach Up household if the parent lives in the home with a child included in the household unless the child's legal guardian is receiving Reach Up benefits on behalf of the child, in which case the legal guardian may choose to not have the parent included in the child's Reach Up household.
    - i. Both parents, if living in the same household with an eligible child, must be included in the Reach Up household, unless specified below.



- 
- ii. A parent whose residence in the home is interrupted by active duty in the United States uniformed services or by education, training, or employment away from home must be included in the Reach Up household.
    3. Another relative or caretaker living in the same household with the parents and children, who has assumed responsibility for the care and supervision of the children, can only be added to the household if the parents are incapable of providing care and supervision.
  - c. The three exceptions to the requirement that a Reach Up household must include at least one eligible child are:
    1. The only dependent child is a disabled child receiving SSI/AABD benefits;
    2. A pregnant person having no other children in their home when:
      - i. Their due date is within the next 30 days of application;
      - ii. This due date has been self-declared or medically verified; and
      - iii. It has been determined that the child, when born, would be eligible for Reach Up; or
    3. A pregnant person having no other children in their household when the expected delivery date falls within the three-month period following the month of application and the person meets one of the following conditions:
      - i. The pregnant person qualifies for Medicaid based on a disability;
      - ii. The pregnant person is a minor and has a self-declared high-risk pregnancy; or
        - A. If their 18th birthday falls before the 30th day immediately preceding the expected delivery date, eligibility for Reach Up continues through the end of the pregnancy.
      - iii. The pregnant person is not a minor, has a medically verified high risk pregnancy, and requests consideration for early Reach Up eligibility based on their belief that they are unable to work due to a high-risk pregnancy and is found eligible on this basis.
  - d. Independent medical professionals, who perform examinations required to enable the Department to determine a pregnant person's ability to work due to a high-risk pregnancy, will be provided reasonable reimbursement.
  - e. In the case of a pregnant person seeking Reach Up benefits based on the pregnancy, the Department shall determine eligibility no later than 10 calendar days following receipt of all information necessary to make the eligibility decision.
  - f. The Reach Up household shall not include the other parent recognized under 15C V.S.A. §102(16) of an expected child until that child is born, unless there are other legal obligations to the Reach Up household such as marriage to the pregnant person or parentage of another child in the household.
  - g. The Reach Up household may also include the following individuals when they are living in the same household:

1. An eligible caretaker; or
  2. An eligible Reach Up essential caregiver.
- h. An individual participating in the Job Corps program, who normally returns home on weekends is entitled to be a member of the Reach Up household.
- i. The Reach Up household shall not include an individual receiving benefits under the SSI/AABD program.
1. A SSI/AABD recipient receiving benefits under the SSI/AABD program include disabled individuals, who received SSI/AABD, became gainfully employed, and were subsequently granted 1619(b) status by the Social Security Administration.
  2. These individuals shall continue to be considered SSI/AABD recipients during any months in which their 1619(b) status remains in effect, whether they receive SSI/AABD payments during those months.
- j. The Reach Up household shall not include a sibling or a parent subject to the five-year bar for qualified immigrants.

**2236 Caretaker Reach Up Household**

- a. There can be only one person designated as the eligible caretaker for the Reach Up household at any given time.
- b. An eligible caretaker (rule 2223) may qualify for inclusion in the Reach Up household.
- c. Caretakers receiving benefits under the SSI/AABD program are not eligible for inclusion in a Reach Up household (rule 2235).
- d. Eligible caretakers included in a Reach Up household with their own children cannot be included in a caretaker Reach Up household.
- e. If a parent living in the home is incapable of exercising parental obligations, both the parent and an eligible caretaker living with the child and responsible for the child's care and supervision may be included in the Reach Up household.
- f. A caretaker may apply and be eligible for two or more Reach Up households when the households include children who are not siblings or half-siblings (rule 2223).
- g. The Department shall take the following steps to determine the eligibility for a caretaker Reach Up household:
  1. First, the Department shall determine the eligibility of the child's Reach Up household without the caretaker;

2. Second, the Department shall determine whether the caretaker is applying for their own needs to be included in the Reach Up household if the child's Reach Up household is eligible; and
  3. Third, the Department shall determine the difference between the child's Reach Up benefit amounts, with and without the caretaker, and allow the caretaker to decide if their needs should be included in the Reach Up household.
- h. The child's Reach Up household is formed according to rule 2235 and must meet all requirements for Reach Up eligibility.
1. A housing allowance may be included in the Reach Up household's needs, up to the housing allowance maximum, which includes the special needs housing allowance, if applicable, if the caretaker charges the child for housing.
  2. If the child's Reach Up household is not eligible for Reach Up, the caretaker is not eligible either.
- i. If the caretaker is applying for their own needs to be included in a child's eligible Reach Up household, the Department shall determine whether the caretaker and the eligible child are financially eligible for Reach Up benefits.
1. The Department considers the caretaker's household to include the following persons, if any, living with the caretaker:
    - i. The caretaker's spouse;
    - ii. Minor children other than the Reach Up eligible child; or
    - iii. Other tax dependents.
  2. The combined countable resources of the caretaker's household must not exceed the Reach Up resources maximum (rule 2255).
  3. The combined countable income of the caretaker's household is determined according to the rules for Reach Up eligibility (rules 2248, 2249, 2250, and 2251), as if the caretaker's household were the Reach Up household.
    - i. Payments may be deducted from the caretaker's household's earned income, if they are made to an individual who is a tax dependent, outside of the home.
    - ii. The combined countable income of the caretaker's household must not exceed their ratably reduced needs determined according to Reach Up rules 2238, 2239 and 2240.
  4. The Department shall determine Reach Up eligibility by including the needs of both the caretaker and the eligible child.
    - i. Only the caretaker's shelter expenses, up to the maximum housing allowance, including the special needs housing allowance, if applicable, are included in the Reach Up household's needs.
- j. A caretaker's resources are not available to the child when the caretaker does not have the legal responsibility of a parent to support the child.

- k. The caretaker's income is also not available to the child unless the caretaker has indicated a commitment to make ongoing monetary contributions toward the support of the child, considered unearned income to the child.

**2237            Need Determination**

- a. A need determination is a basic eligibility requirement and shall be completed at initial application, reapplication and at each subsequent review of eligibility, including recertification, interim report and changes in circumstances.

**2238            Method for Determination of Need**

- a. The Department computes financial need using the following methods:
  - 1. Budgetary comparison of the Reach Up household's available net monthly income to the Reach Up payment standard (total needs standard (rule 2244) multiplied by the rateable reduction (rule 2239)); and
  - 2. Comparison of the Reach Up household's available resources to the combined resources limitation (rule 2254.1).
- b. Standards for basic requirements (rules 2243-2246) common to all individuals and households have been established to simplify the Department's determination of need and to ensure equitable consideration for all individuals in similar circumstances.
- c. Financial need, and the amount thereof, shall be established when budgetary computation shows a deficit and resources are within the maximum allowed.
  - 1. If either condition is not met the applicant/participant shall be ineligible, due to lack of financial need.

**2239            Payment Standard**

- a. The payment standard is the maximum amount of Reach Up benefit that a Reach Up household can receive.
- b. The payment standard is reduced by the rateable reduction, which is 49.6 percent of the household's needs standard, because funding is insufficient to meet 100 percent of the need standard.

**2240            Eligibility Computation**

- a. Financial eligibility is computed for an initial application, a reapplication, and at each subsequent review of eligibility, including recertification, interim report and changes of circumstances.
- b. Eligibility based on income is determined as follows:
  - 1. Determine the amount of the Reach Up household's gross non-excluded earned and unearned income, including any support predicted or collected by the Office of Child Support, except for the \$100 family bonus (rule 2250.1);

2. Apply appropriate deductions and disregards to determine net income (rules 2248, 2251, and 2252);
  3. Determine the payment standard for the Reach Up household (rule 2238);
  4. Subtract 2 from 3; and
    - i. If net income equals or exceeds the payment standard, the Reach Up household is ineligible due to lack of financial need; or
    - ii. If net income is less than the payment standard, the difference is the payment amount (rule 2242).
  5. Round the result in step 4 down to the nearest whole dollar for the payment amount (rule 2239).
- c. When sanctions apply, the Reach Up household's benefit is calculated in the following order:
1. First, deduct any sanctions imposed due to noncooperation with the pursuit of child support;
  2. Second, deduct any sanctions imposed due to non-engagement in Reach Up participant requirements; and
  3. Third, deduct any recoupment of previous Reach Up overpayments.
- d. For households reapplying for Reach Up solely because of loss of child support refer to rule 2232.6 for eligibility computation.

**2241 Prospective Eligibility and Budgeting**

- a. All factors of eligibility and the basic need standard, including shelter costs, shall be determined prospectively for all Reach Up households for all payment months.
  1. "Prospective eligibility" means that eligibility for any given month is determined by estimating as accurately as possible whether all eligibility factors will be met during that month.
  2. "Prospective budgeting" means that the amount of payment for any given month will be based on the best estimate of income and circumstances that will exist in that month.
    - i. In prospective budgeting the budget month and payment month are the same.
- b. Payment shall be determined prospectively for all Reach Up households, including those sanctioned for not engaging in the Reach Up participant requirements, based on the Department's best estimate of the Reach Up household's circumstances.
  1. This estimate is derived from information collected and documented at initial application, reapplication and at each subsequent review of eligibility, including recertification, interim

report and changes of circumstances.

- c. Information about circumstances during the most recent calendar month shall be the basis of the estimate of the Reach Up household's circumstances during the remainder of the recertification period until, and unless, a change in circumstances is reported or otherwise identified.

**2242 Amount of Benefit Paid**

- a. The Reach Up benefit payment shall be the result of the eligibility computation (rule 2240) rounded down to the nearest whole dollar amount.
- b. Except for Reach Up households receiving parent share payments (rule 2250.2), no payment shall be made to a Reach Up household in any month in which the amount of benefits is determined to be less than \$10.00 for that month, prior to any recoupment applied to the benefit.
  - 1. A Reach Up household not receiving payment solely because the payment would be less than \$10 shall be considered eligible for Reach Up for all other purposes.
    - i. This will also apply in cases where a Reach Up household payment of 99 cents or less has been rounded down to zero.

**2243 Needs**

- a. Certain requirements, basic to all Reach Up households, shall be accounted for in budgetary computation, including:
  - 1. Food;
  - 2. Fuel;
  - 3. Utilities, including water, sewer, electricity, air conditioning;
  - 4. Clothing;
  - 5. Personal needs and incidentals;
  - 6. Shelter;
  - 7. Household-related chores, including: snow removal, lawn maintenance, and household cleaning supplies; and
  - 8. Special needs, including: telephone, life insurance premiums, household appliances, municipal assessment costs, fire insurance premiums and those specified in rule 2244.3.
- b. Each of these basic requirements shall be accounted for in one of the following ways:
  - 1. Using the standard allowance for the required item;
  - 2. Indicating that the required item is available in-kind (rule 2248.2) without monetary cost; or

- i. An item available in-kind and earned shall be budgeted at appropriate standards.
- ii. An item available in-kind and unearned shall not be included in the budget.
- 3. Indicating that the required item is included in the cost of another item, such as room and board (rule 2246.3).
- c. No budgetary allowance is made for purchase, maintenance or related expenses of operating a vehicle, except for allowable self-employment business expenses.

**2244 Needs Standards**

- a. The needs standards are the total monthly requirements of each Reach Up household.
- b. The total monthly requirement of each Reach Up household shall be calculated using the following:
  - 1. Basic needs standards table for Reach Up (rule 2244.1);
  - 2. Housing allowance (rule 2246), including, where applicable, the special housing allowance (rule 2244.3) and maintenance of housing during temporary absence (rule 2228); and
  - 3. Shared households (rule 2246.2), where applicable.
- c. When non-recipient members of a Reach Up household fail to contribute to household expenses, their needs shall not be budgeted as a need of the Reach Up household.
  - 1. The Department shall encourage and assist the applicant/participant to obtain contributions from such non-recipient members at least equal to their share of household expense, as calculated above.

**2244.1 Basic Needs Standards**

- a. The basic needs standards table published in the Reach Up Eligibility procedures is used to determine Reach Up eligibility.
- b. The basic needs standards include food, fuel, utilities, clothing, personal needs and incidentals, household-related chores, and special needs required by Reach Up household members regardless of the total number of individuals residing in the household.

**2244.2 Children in Schools**

- a. Basic needs allowances for an eligible child, who is away from home to attend school, shall be included in full when the parent/caretaker is responsible for the care and supervision of the child.
- b. If the parent/caretaker is no longer responsible for the care and supervision of the child, then that child may only be included in the Reach Up household if the criteria in rule 2228.2 are met.

**2244.3 Special Housing Needs**

- a. A monthly special housing needs allowance shall be paid to Reach Up households, who have actually incurred housing expenses in excess of the maximum monthly housing allowance, as determined by rule 2246.
- b. For eligible Reach Up households, the amount of the special housing needs allowance shall be calculated as housing expenses in excess of the maximum monthly housing allowance, or \$90, whichever is less.
- c. The special housing needs allowance is subject to the payment standard (rule 2239).

**2245 Budgeting for Living Arrangements**

- a. Budgeting the monthly Reach Up benefits shall include allowances for all maintenance items required in the living arrangement of the Reach Up household.
  - 1. Allowances for maintenance of a prior living arrangement during temporary absence (rule 2228) shall be continued, under specified conditions.
- b. Standard allowances are classified according to the following living arrangements:
  - 1. Household or housing unit;
  - 2. Room and board;
  - 3. Room with separate meals; or
  - 4. Institution.

**2246 Housing Allowance**

- a. Housing expense is defined as the total of all costs incurred for any of the following:
  - 1. Rental;
  - 2. Real estate or equivalent personal property taxes;
  - 3. Maintenance and repairs for real estate owned and listed in the name of the applicant/participant;
  - 4. Mortgage payments;
  - 5. Homeowners insurance; and
  - 6. Condo and association fees.
- b. Housing allowances shall be budgeted as incurred to cover recurring shelter expenses necessary to maintain a home, not to exceed the current maximum monthly housing allowance stated below.
- c. The housing allowance portion of a Reach Up benefit is limited to expenses incurred for the current month.



1. Overdue expenses for prior months cannot be included in the Reach Up benefit for the current month.
2. Expenses incurred less frequently than monthly shall be prorated into monthly amounts for the period covered (rule 2244.3).

d. Maximum Monthly Housing Allowance Table:

Outside Chittenden County	Chittenden County
\$400	\$450

- e. The expense for shelter, when shared, may be included based upon the participant's incurred housing cost, not to exceed the maximums.
- f. When housing is provided at no cost and is considered unearned in-kind income (rule 2248.2) no housing allowance and no unearned income are budgeted.
- g. When housing is provided at reduced cost and is considered unearned in-kind income (rule 2248.2), only the Reach Up household's incurred cash obligation for housing is budgeted as the housing allowance, not to exceed the applicable housing maximum, and no unearned income is budgeted.
- h. In the case of housing received as earned in-kind income (rule 2248.2), the housing allowance budgeted should be the lesser of:
  1. The maximum monthly housing allowance for which the Reach Up household is eligible; or
  2. The sum of the following:
    - i. The household's incurred monthly cash obligation, if any, for allowable housing costs; and
    - ii. The amount of earned in-kind income received in the form of housing.
- i. A standard amount, which in most cases represents a portion of the fuel and/or utility subsidy used by Housing and Urban Development (HUD) in the calculation of subsidized housing rent for Reach Up households, will be considered unearned income for Reach Up eligibility, according to rule 2249.
  1. The standard amount for those households, who must pay for fuel, or fuel and utilities, is \$70.
  2. The standard amount for those households, who must pay for utilities only, is \$30.
  3. A Reach Up household that documents an actual subsidy amount less than the standard amount may have the actual amount counted as unearned income in Reach Up benefit and eligibility calculations.
- j. Nonpayment of all, or a portion of, the shelter expense, will be evaluated against the criteria for need of protective payments and subject to the limitations outlined in rule 2220.

**2246.1 Subsidized Housing**

- a. The most common types of subsidized housing include:

1. Section 8;
  2. Section 23;
  3. F.H.A (Farmer's Home Administration) rental assistance units;
  4. Section 236; and
  5. Housing owned and operated by the local public housing authority.
- b. The Reach Up budget for subsidized housing will always be the maximum housing allowance permitted for a rental located in the county in which the Reach Up household resides.
1. The Reach Up budget is the same as above for a participant living in unsubsidized or private housing with a Section 8 certificate.

**2246.2 Shared Households**

- a. The Department shall determine the housing allowance for households shared between two or more separate households as follows:
1. Budget each separate household considering eligible members of each Reach Up household.
  2. Include housing cost as incurred by each household, each household's share not to exceed the housing allowance maximum and the sum of the shares not to exceed the total cost of housing.
  3. If a Reach Up household member is the only person on the lease or mortgage, but a separate household living in the home regularly pays a share of the rent or mortgage payment, the housing allowance for each household cannot exceed the actual housing costs.
  4. Any monetary contribution to the Reach Up household responsible for the household expenses from a separate household in the home will not be counted as income if:
    - i. The payment is made by the separate household for their share of common household expenses to the Reach Up household responsible for household expenses; or
    - ii. A payment is made directly to a non-resident landlord or mortgage holder.
- b. This shared household rule does not apply to room and board because the housing cost portion of the room and board cannot be identified separately.

**2246.3 Room and Board**

- a. Room and board as a living arrangement for the Reach Up household shall be budgeted in the amounts established by the Room and Board Allowances Table below.
1. The Room and Board Allowances Table includes additional amounts for other basic needs, which include clothing, personal needs and incidentals, household-related chores, and

special needs.

b. Room and Board Allowances Table:

Number of Reach Up Household Members	1	2	3	4	5	6	7	8	9 or more
Room and Board	\$379	\$547	\$725	\$853	\$1008	\$1098	\$1265	\$1403	Add \$138 for each additional person
Other Basic Needs	\$96	\$133	\$166	\$211	\$239	\$274	\$324	\$366	Add \$32 for each additional person

c. The total budgeted amount is subject to the ratable reduction.

**2246.4 Institution**

- a. An institution is a facility or establishment where people live and receive care.
- b. Household members residing in institutions are ineligible for Reach Up benefits.

**2246.5 Foster Home**

- a. Foster parents who receive payments for the care of a child in the custody of the Department are not eligible for Reach Up benefits on behalf of that child.

**2246.6 General Assistance and Emergency Assistance Temporary Housing**

- a. The housing allowance for participants of General Assistance or Emergency Assistance temporary housing assistance is the maximum housing allowance permitted for a rental located in the county where the Reach Up household resides, in addition to the special needs housing allowance if applicable.
- b. The housing allowance will always be the maximum housing allowance, in addition to the special needs housing allowance, if applicable, regardless of whether the participant is required under the General Assistance or Emergency Assistance program to contribute a percentage of their income toward the cost of temporary housing.

**2246.7 Shelters and Transitional Housing**

- a. The housing allowance for residents of a shelter or transitional housing is the maximum housing allowance for a rental located in the county in which the shelter or transitional housing is located, in

addition to the special needs housing allowance, if applicable.

- b. The housing allowance will always be the maximum housing allowance, in addition to the special needs housing allowance, if applicable, regardless of the Reach Up household's incurred housing expenses.

**2247           Temporarily Uninhabitable Home**

- a. When the home owned by a parent/caretaker is temporarily uninhabitable, the shelter expenses for the home may continue to be budgeted for up to six months.
- b. A home may be temporarily uninhabitable because of a variety of situations, including:
  - 1. A fire;
  - 2. The heating system is inoperable;
  - 3. The water pipes are frozen; or
  - 4. It is in a remote area where roads are not routinely snow plowed.
- c. The home and shelter expenses of the temporary living arrangement may be budgeted but may not exceed the shelter maximum.

**2248           Income**

- a. Income is defined as any cash payment, or equivalent in-kind payment, that is available to the Reach Up household.
- b. Sources of income include:
  - 1. Earnings from employment or self-employment; and
  - 2. Unearned income.
- c. All income except that specifically excluded shall be evaluated to establish net income available to meet the Reach Up household's need.
- d. When parents are maintaining a common living arrangement, their joint incomes shall be evaluated and considered for availability to meet their joint needs, even though only one applies for or receives benefits under any Department program.
  - 1. This includes the spouse or civil union partner of a pregnant person with no children.
- e. Verification of all income, except that specifically excluded, shall be required in the Reach Up Program.

- f. The income of an ineligible household member on strike is counted (rule 2233.1).
- g. The income of an ineligible household member convicted of having made a fraudulent statement or representation with respect to their place of residence to receive assistance simultaneously from two or more states is counted (rule 2233.2).
- h. The income of an ineligible fugitive felon or probation or parole violator is counted (rule 2233.3).
- i. The income of a parent who is ineligible for Reach Up benefits due to immigration status (rule 2230) counts as income available to the Reach Up household.
- j. The income of a sibling who is ineligible for Reach Up benefits due to immigration status (rule 2230) shall not be counted as income to the Reach Up household.
- k. Transfer of income for the purpose of qualifying for additional Reach Up benefits that the Reach Up household would receive, is prohibited.
  - 1. Voluntary transfer of income within two years before date of application, or while in receipt of Reach Up benefits, shall result in ineligibility unless the income is reconveyed to the household.
- l. When feasible, future and potential sources of income shall be identified and developed (rule 2259).
  - 1. Reach Up benefits in the amount needed based on currently available income shall continue until such potential income becomes available, at which time appropriate budgetary adjustment shall be completed.

**2248.1 Household Receipt of Lump Sum**

- a. Lump sum payments are large amounts of money received while the Reach Up household is receiving Reach Up benefits.
- b. The Reach Up household is responsible for notifying the Department within 10 days of receipt of any lump sum payment of earned or unearned income.
  - 1. The Department shall establish an overpayment for lump sum payments of child support for the month in which the payment was received, regardless of whether the household notified the Department with 10 days of receipt.
- c. Lump sum payments shall be counted as income except for the following:
  - 1. Insurance payments or similar third-party payments shall be excluded, if received for payment of medical bills or funeral costs, and used for those purposes;
  - 2. Homeowner's insurance payment shall be excluded if it is used to rebuild or repair the house or purchase a new one;

3. Money resulting from the conversion of an existing asset to a liquid asset shall be treated as a resource if the asset was acquired prior to the receipt of Reach Up benefits;
  4. Money resulting from the sale of a vehicle shall be treated as a resource if acquired during receipt of Reach Up benefits;
  5. Money that has been set aside in a trust fund, retirement account, or qualified child education savings account shall be treated as a resource and excluded (rules 2257); or
  6. An income tax refund shall be treated as a resource, except for any portion that is a federal or Vermont Earned Income Tax Credit (EITC) refund.
    - i. EITC payments are disregarded both as income and as a resource (rules 2253 and 2257).
- d. Lump sum payments received by the Reach Up household that are not excluded should be added together with all other monthly non-Reach Up income with applicable disregards subtracted.
1. When this total exceeds the household's need they will be disqualified for Reach Up benefits for the number of full months derived by dividing this total income by the need standard applicable to the Reach Up household.
  2. If the Reach Up household reapplies for Reach Up benefits in the month following their disqualification period, any remaining income will be applied to the first month of eligibility.
- e. The disqualification period due to a lump sum payment may be recalculated if:
1. Any change of circumstances occurs during the disqualification period which, had the household been receiving Reach Up benefits, would have changed the benefit amount;
  2. The Reach Up household deposits the lump sum payment, or a portion thereof, into an excluded savings account (rule 2257).
  3. The Reach Up household incurs and pays for medical expenses that offset the lump sum payment; or
  4. The income received has become unavailable to the Reach Up household under the following circumstances:
    - i. Death or incapacity of the principal wage earner;
    - ii. Loss of shelter due to fire or flood;
    - iii. Repairs to owner-occupied homes that are essential to the health and safety of the Reach Up household;
    - iv. Repair or replacement of essential, major household appliances;
    - v. Repair or purchase of one or more motor vehicles per Reach Up household, essential for employment, education, training or other day-to-day living necessities;

- A. Expenses may include the following:
  - 1. Purchase and use tax;
  - 2. Inspection fee;
  - 3. Insurance; and
  - 4. Registration fees.
- B. Expenses may not include day-to-day operating expenses.
- vi. Payments attributable to current monthly housing expenses (rule 2246) that are in excess of the maximum monthly Reach Up housing allowance;
- vii. Advance payments, which are payments for expenses that will be incurred after the date the lump sum income was received, up to 12 months, of any of the payment of expenses listed below.
- viii. Payment of expenses that meet the following criteria:
  - A. The expenses were overdue as of the date the lump sum income was received;
  - B. The expenses were the legal liability of the member of the Reach Up household; and
  - C. The Reach Up household provides documentation that the lump sum income was used to pay the expenses.
- ix. Circumstances that the Department determines are substantially similar.
- f. Eligible payment of expenses outlined in subsections (vii) and (viii) above are restricted to those of the primary residence and would include any late charges and the following:
  - 1. Rent, including lot rent;
  - 2. Mortgage payments, including principal and interest;
  - 3. Property taxes;
  - 4. Homeowner's insurance;
  - 5. Heating bills;
  - 6. Utility bills;
  - 7. Telephone bills;
  - 8. Child care expenses necessary for a member of the Reach Up household to maintain employment, with the following limitation:
    - i. If the overdue expenses were incurred when the participant was receiving Reach Up, only the unsubsidized amounts are considered eligible expenses.

9. Expenses for one or more motor vehicles per Reach Up household, essential for employment, education, training or other day-to-day living necessities, include the following, but not day-to-day operating expenses:
  - i. Overdue bills for repairs;
  - ii. Purchase and use tax;
  - iii. Loan or lease payments;
  - iv. Inspection fee;
  - v. Insurance; and
  - vi. Registration fees.

**2248.2 In-Kind Income**

- a. In-kind income is defined as any basic requirement that is furnished regularly at no cost to the Reach Up household.
- b. In computing the requirements, if any basic need item is furnished in part or in full and is considered unearned in-kind income, the item may not be claimed as an expense in the budget and no unearned in-kind income is budgeted.
- c. In computing the requirements, if any basic need item is furnished in part or in full and considered as earned in-kind income, the item may be claimed as an expense in the budget and it shall be given a monetary value by the employer and treated as earned income in the budget computation.
  1. However, in no case shall the monetary value assigned to a need item received as earned in-kind income exceed the ratably reduced amount specified for that item in the Basic Need Standards Table (rule 2244.1) for a Reach Up household of equal size.
- d. The monetary value to be budgeted as earned in-kind income shall be that portion of the housing allowance attributable to earned in-kind income, ratably reduced.
  1. This ensures that earnings received in the form of housing do not reduce the amount of Reach Up benefits provided to meet the Reach Up household's other basic needs.
- e. In no case shall the provision of fuel and/or utilities as part of an Reach Up household's housing be considered either unearned or earned in-kind income, regardless of whether or not they incur a cost for housing.
  1. Nor in these instances shall these items be claimed as an expense in the budget.



---

**2249 Unearned Income**

- a. Unearned income includes the following:
1. Income from pension and benefit programs, such as social security, railroad retirement, veteran's pension or compensation, unemployment compensation, employer or individual private pension plans and annuities;
    - i. The Medicare Part B premium of a new Social Security or Railroad Retirement recipient that continues to be withheld from their benefits pending completion of their transfer to the Department of Vermont Health Access' (DVHA) Medicare Savings Program shall be disregarded until the benefit increase is available to the recipient.
    - ii. The amount of veteran's benefits retained by a guardian as reimbursement for guardian services is disregarded as income.
  2. Income from capital investments in which the Reach Up household is not engaged in active management (rule 2201);
  3. Payments on mortgages or notes resulting from a sale of real or personal property when the Reach Up household is not engaged in the business of selling such property;
  4. Voluntary contributions from others;
  5. Child support in excess of \$100 per month paid on behalf of a child included in the Reach Up household (rule 2250.1);
  6. The applicable standard fuel and utility subsidy (rule 2246);
  7. Reach First benefits attributed to the months that the Reach Up household applied for Reach Up benefits; and
  8. The income of any person, and their spouse, who executed an affidavit of support (USCIS Form I-864 or I-864A) on behalf of the applicant or recipient pursuant to section 213A of the INA.
- b. The full amount of available unearned income shall be applied to the payment standard, except for disregards specified under certain federal programs (rule 2253).
- c. Any non-excluded income from student loans or grants (rule 2253) shall be converted to a monthly amount by averaging the total amount of the loan or grant over the period it is intended to cover.

**2249.1 Contributions**

- a. Regular and predictable contributions, in the form of cash or in-kind, shall be considered unearned income.

- b. Occasional small gifts and/or irregular contributions shall be disregarded in budgetary computations, provided the amounts do not exceed \$30 per participant every three months.
- c. Contributions to a third party on behalf of a Reach Up household do not count as unearned income if the payment is not otherwise owed to the household.

**2250            Distribution of Child Support**

- a. Office of Child Support (OCS) distributes current child support payments to the Department, which has been collected on behalf of Reach Up households.
- b. The Department then distributes the child support payments, to the Reach Up household for whom child support has been collected, at the beginning of the second month following the month in which the child support payment was received by OCS.

**2250.1           Family Bonus Payment**

- a. The family bonus payment is the first \$100 from child support collected by OCS in any calendar month and distributed to the Department on behalf of a Reach Up household.
- b. The Department pays the family bonus to the custodial parent without affecting Reach Up eligibility or decreasing the amount of the benefit.
- c. \$100 is the maximum family bonus payment paid to a Reach Up household in a single calendar month, even when more than one noncustodial parent pays child support on behalf of that Reach Up household.
- d. In no case shall the family bonus amount exceed the amount of child support paid on behalf of the members of the Reach Up household.

**2250.2           Parent Share Payment**

- a. The parent share payment is the amount in excess of \$100 from child support collected by OCS in any calendar month and distributed to the Department on behalf of a Reach Up household.
- b. The parent share payment shall be:
  - 1. Deducted from the Reach Up benefit prior to any recoupment for the second month following the month in which OCS received the child support and distributed it to the Department; and
  - 2. Paid to the Reach Up household according to the Reach Up benefit payment schedule (rule 2214.1).

**2250.3           Child Support Arrearage Collected**

- a. Child support arrearage is past due child support owed by a noncustodial parent.

- b. Arrearage collected by OCS from the noncustodial parent shall be distributed according to federal rules governing the distribution of child support.
- c. Arrearage collected on behalf of a Reach Up household is applied to unpaid child support obligations that accumulated while the household was receiving Reach Up benefits.
- d. When the arrearage collected from the noncustodial parent represents an accumulation of the child support obligation during a period when Reach Up benefits were received, the Department may retain an amount up to the Reach Up benefit for that period.

**2250.4 Advance Child Support Payments**

- a. Child support payments will be treated as advance payments only if current and past child support obligations are paid in full.

**2251 Earned Income**

- a. Earned income is defined as income prior to any voluntary or involuntary deductions including any applicable taxes, contributions under the Federal Insurance Contributions Act (FICA), or insurance.
  - 1. In determining earned income for self-employed individuals, allowable business expenses shall be deducted first (rule 2251.2).
- b. Earned income shall include all wages, cash or in-kind salary, commissions, or profit from activities in which the applicant/participant is engaged as an employee or a self-employed individual, including active management (rule 2201) of capital investments.
- c. Self-employment income will be determined by the Reach Up household's most recent tax return unless the tax return is not reflective of the current situation, a tax return has not been filed, or the household has earned income not subject to taxation.
  - 1. In these circumstances, the Department will use the household's records and other available sources to determine self-employment income.
  - 2. For determining monthly self-employment income, see rule 2208.3.
- d. Income earned during a period, when payment is made at one given time, is also included as earned income.
- e. Payments from the following programs shall be treated as earned income:
  - 1. Income from Community Services Block Grant programs, whether as partial or temporary beneficiaries, or as employees;
  - 2. Income from employment under a Title I project funded by the Elementary and Secondary Education Act; or
  - 3. Income from employment through the Workforce Innovation & Opportunity Act (WIOA)

programs.

### **2251.1 Earned Income Computation Methods**

- a. Gross earned income must be verified pursuant to rule 2208.3.
- b. To determine Reach Up eligibility, all income figures are converted to monthly figures, using a multiplier of 4.3 weeks for income received weekly and a multiplier of 2.15 weeks for income received biweekly.
- c. Computation of net earned income for each member of the Reach Up household, whose total earned income is not otherwise excluded, takes into consideration applicable deductions in the sequences listed below:
  1. The unsubsidized earned income deduction sequence is:
    - i. Business expenses that are deducted from total self-employment business receipts to establish adjusted gross earned income;
    - ii. Earned income disregard (rule 2252.3); and
    - iii. Dependent care expenses allowed as a deduction from earned income (rule 2252.2).
  2. The subsidized earned income deduction sequence is:
    - i. Employment expenses (rule 2252.1); and
    - ii. Dependent care expenses allowed as a deduction from earned income.
  3. The subsidized plus unsubsidized earned income deduction sequence is:
    - i. If a household member has earnings from both subsidized and unsubsidized employment, the computation follows the sequence in subsection (1) above;
    - ii. Only the earned income disregard is allowed; and
    - iii. If less than \$90 is deducted from unsubsidized earnings, however, the remainder of the \$90 will be deducted from any subsidized earnings.
- d. Whenever the sum of these deductions exceeds the gross earned income of the household member, the maximum allowable deduction is the amount of the gross earned income.
- e. Child care provided as a support service to Reach Up households does not constitute dependent care expenses and is not an allowable deduction.

### **2251.2 Business Expenses**

- a. Business expenses that are deducted from gross self-employment income to determine adjusted

gross earned income, are limited to operating costs necessary to produce earned income and include:

1. Office or shop rental;
  2. Taxes on farm or business property;
  3. Employee salaries;
  4. Interest on business loans; or
  5. Cost of materials, stock, inventory, or livestock for resale required to produce this income.
- b. Business expenses do not include the following: depreciation, personal business and entertainment expenses, personal transportation costs, purchase of capital equipment, and payment on the principal of loans for capital assets or durable goods.
- c. Tax returns and business records are considered appropriate sources of accurate documentation for farm and business income and expenses.
- d. The income of a Reach Up household owning or operating a commercial boarding house shall be treated as any other business income.
1. A commercial boarding house is defined as an establishment licensed as a commercial enterprise offering meals and lodging for compensation.
  2. In areas without licensing requirements, a commercial boarding house shall be defined as a commercial establishment offering meals and lodging with the intention of making a profit.
- e. A difficulty-of-care payment, which is compensation to a foster care provider for the additional care required because the qualified foster individual has a physical, mental, or emotional disability, and which is distinct from payment made for room-and-board, is earned self-employment income.
1. Payment made by a foster care provider for respite care services is an allowable business expense.
- f. The expense of furnishing room-and-board for a non-commercial boarding house, alone or as part of custodial care, is an allowable business expense.
1. These expenses shall not exceed the income the Reach Up household receives from the roomer/boarder for room-and-board.
  2. If the Reach Up household can document that actual expenses for providing room and board are greater than the standard business expenses allowed, the actual expenses may be allowed as a business expense.

### **2251.3 Income from Providing Child Care**

- a. A standard business expense deduction is provided for the expenses associated with providing meals to children receiving child care in the Reach Up household's home.

- b. To receive the standard business expense deduction for the provision of meals the Reach Up household must report:
  - 1. The number of children receiving meals;
  - 2. The number of days on which meals were provided; and
  - 3. The type of meals provided.
- c. The standard business expense deduction for child care meals shall be used unless the Reach Up household requests a higher business expense deduction and fully documents expenses that substantiate costs exceeding the standard deduction.
- d. Reach Up households that include providers of child care are also entitled to a business expense deduction for non-meal related expenses incurred in the course of providing child care as a form of self-employment.
  - 1. All non-meal related expenses must be determined on a case-by-case basis and must be fully documented by the Reach Up household.
  - 2. These non-meal related expenses may include:
    - i. A portion of rent;
    - ii. A portion of the interest on mortgage payments;
    - iii. Non-cooking related utility expenses;
    - iv. Cost of toys; and
    - v. Purchase of non-meal related supplies.
- e. Reach Up households may only receive the standard business expense deduction for one of the following expenses:
  - 1. Meals and an individually determined deduction for non-meal related business expenses;
  - 2. Individually determined business expense deductions for both meal related expenses and non-meal related expenses;
  - 3. Only a deduction for meals; or
  - 4. Only a deduction for non-meal related expenses.

**2252 Earned Income Deductions and Disregards**

- a. The Department shall allow certain deductions from a participant's earned income to cover

employment expenses (rules 2252.1 – 2252.2) or provide an incentive disregard for employed participants (rule 2252.3).

- b. Total deductions and disregards shall not exceed the amount of a participant's earned income.

**2252.1 Employment Expenses**

- a. The standard employment expense deduction of \$90 is used in place of the amount of actual expenses for:

- 1. Taxes;
- 2. Insurance;
- 3. Retirement;
- 4. Union dues and fees; and
- 5. Other reasonable employment expenses.

- b. Only one standard employment expense deduction is allowed per participant with earned income.

- c. This deduction shall be applied to the following:

- 1. Subsidized earned income in determining continuing eligibility; and
- 2. Earned income of a participant whose needs are not included in the Reach Up household, but whose income and resources are counted.

- d. The Department shall not simultaneously apply both the standard employment expense deduction and the earned income disregard to the earned income of any participant.

**2252.2 Dependent Care Expenses**

- a. A deduction from the earned income of a Reach Up household member is allowed to cover the cost of care for a household member, who is a disabled or seriously ill adult, when all the following conditions are met:

- 1. The care is necessary to allow the Reach Up parent/caretaker to accept or retain employment, and the hours of care are reasonably related to the parent's/caretaker's employment;
- 2. The care is not provided by a member of the same Reach Up household or by the disabled or seriously ill adult's spouse;
- 3. The disabled or seriously ill adult's spouse is unavailable or unable to provide the necessary care;
- 4. The provider of care is at least 16 years old; and
- 5. The Reach Up household member claiming the deduction has provided a statement signed by the provider of care about the hours and cost of care.

- b. A deduction from the earned income of a Reach Up household member is allowed to cover dependent care payments for a child, who is not a member of the Reach Up household, but for whom a Reach Up parent/caretaker is legally liable and the following requirements are met:
  - 1. The child and the child care facility must meet the requirements in Reach Up Services rules 2309-2309.3; and
  - 2. The provider of care must be at least 18 years of age, or at least 16 years of age if the provider has a high school diploma, GED, or attends secondary school full-time.
- c. Paid expenses converted to a monthly amount shall be deducted up to a maximum of \$175 per month.
  - 1. If a participant's dependent care expenses are below this maximum, transportation to and from the dependent care facility may be deducted as part of the expense, up to the maximum of \$175 per month.
- d. Payments for dependent care provided by a Reach Up household member, another legally liable relative, or a legal guardian do not qualify as necessary dependent care expenses under this rule.

**2252.3      Earned Income Disregard**

- a. The Department shall disregard the first \$350.00 per month of the total unsubsidized or subsidized earned income of each eligible Reach Up household member plus 25 percent of the balance remaining.
- b. The earned income disregard includes a standard allowance used in place of the amount of actual expenses for:
  - 1. Taxes;
  - 2. Insurance;
  - 3. Retirement;
  - 4. Union dues and fees; and
  - 5. Other reasonable employment expenses.

**2253      Excluded Income**

- a. Excluded income is defined as income that is not included in the Reach Up household's earned or unearned income, which includes the following:
  - 1. Retroactive corrective payments, that resulted from a Department underpayment, in the month received (rule 2218);



2. Home produce used by the household for its own consumption;
3. Any income received by a recipient of SSI/AABD, which includes disabled individuals with effective 1619 (b) status by the Social Security Administration received SSI/AABD and gainfully employment, who is living in the Reach Up household;
4. All income to an undergraduate student, including both a parent and a child in the Reach Up household, from student grants, loans, or work/study if:
  - i. Such loans or grants are made under a program administered or insured by the U. S. Commissioner of Education, including Basic Educational Opportunity Grants;
  - ii. The sponsor of the grant or loan precludes its use for maintenance purposes, including Vermont Student Assistance Corporation, Senatorial Scholarships, or Supplemental Educational Opportunity Grants (SEOG); or
  - iii. The work/study program is administered by a college or university recognized by educational authorities in which the undergraduate student is enrolled half time or more than half time, as defined by the school, including College Work-Study Programs (CWSP);
5. Bona fide loans regardless of purpose shall not be considered income or a resource available to the household;
  - i. A loan shall be considered bona fide if it is from an establishment or individual that is in the business of making loans and is evidenced by a written agreement to repay the money within a specified period;
  - ii. If the loan is obtained from an establishment or individual not normally engaged in the business of making loans, evidence that the loan is bona fide would be provided by a written agreement between the parties to the loan that specifies a timetable or plan for repayment;
  - iii. A loan is considered bona fide even if it is repaid without interest or was obtained without being secured with collateral;
6. That portion of any Veterans Administration Educational Assistance Program payment for the student that is used for the following types of payments including:
  - A. Tuition;
  - B. Books;
  - C. Fees; or
  - D. Child care services necessary for enrollment;
7. Student financial assistance provided under Title IV of the Higher Education Act or Bureau of Indian Affairs Student Assistance programs, including the following:
  - i. Pell Grants;
  - ii. Supplemental Educational Opportunity Grants (SEOG);

- iii. State Student Incentive Grants (SSIG);
  - iv. College Work Study (CWSP);
  - v. Perkins Loans (formerly National Direct Student Loans), which do not include the Carl D. Perkins Vocational and Applied Technology Education Act outlined below; or
  - vi. Guaranteed Student Loans (GSLP), including PLUS loans and Supplemental Loans for students;
8. Student financial assistance provided under the Carl D. Perkins Vocational and Applied Technology Education Act is disregarded as income or resources when the assistance is made available to meet attendance costs, which include:
- i. Tuition and fees normally assessed a student carrying the same academic workload as the applicant/participant, as determined by the institution, including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and
  - ii. An allowance for books, supplies, transportation, dependent care, and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution;
9. Reimbursements for expenses associated with participation in unpaid voluntary activities, including:
- i. Child or dependent care;
  - ii. Transportation;
  - iii. Purchase or maintenance of clothing;
  - iv. Meals; or
  - v. The value of meals;
10. Assistance from other sources to meet needs not covered by the Reach Up benefit, for example:
- i. Assistance granted for a specific purpose, such as vocational rehabilitation, poverty reduction, or housing, including incentive allowances, stipends, and other forms of financial assistance paid to an active Reach Up participant;
  - ii. Assistance for items and/or services not included in the standard assistance plan or medical assistance, such as special training for a child through a private agency, eyeglasses, or dental care; or
  - iii. General Assistance benefits;
11. Payments made by a Reach Up household member toward the support of a person(s) outside the Reach Up household pursuant to a court order for:
- i. Support;

- ii. An Administrative Order for support issued by the Human Services Board; or
- iii. A contract between the Office of Child Support and a noncustodial parent that requires the payment of child support.
  - A. To determine the amount of excluded income deduct the payment amount from the Reach Up household's countable earned income with any remaining balance deducted from their unearned income;
- 12. Adoption assistance, when verified by the Family Services Division (FSD) or a comparable agency in another state;
- 13. The value of 3SquaresVT benefits;
- 14. The value of the U. S. Department of Agriculture donated foods, which include surplus commodities;
- 15. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- 16. Earned income of an eligible child if the child is a full- or part-time student;
  - i. A student is a person who is enrolled in a school, college, university, or a course of vocational or technical training designed for gainful employment;
  - ii. The income exclusion shall continue to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break;
- 17. Court ordered cash contributions for medical support paid by a noncustodial parent;
- 18. Payments for support services and/or reimbursement for out-of-pocket expenses made to:
  - i. Individual volunteers serving as foster grandparents, senior health aides, or senior companions; or
  - ii. Persons serving in the Service Corps of Retired Executives, Active Corps of Executives, and any other program under Titles II and III pursuant to Section 418 of P. L. 93-133;
- 19. Payments to individual volunteers under:
  - i. Title I of P. L. 93-133 Section 404(g);
  - ii. University Year For Action of P. L. 93-113 and PL 96-143; or
  - iii. Section 9 (VISTA), unless determined by the Director of ACTION to be equivalent to or

- greater than the federal or state minimum wage;
20. Payments made under the Alaska Native Claims Settlement Act of 1971, as amended;
  21. Payments distributed per capita to or held in trust for members of any Indian Tribe under P. L. 92-254, P. L. 93-134, or P. L. 94-540;
  22. Payments received for the care of foster children in the custody of and placed by the Family Services Division;
  23. The room-and-board portion of income received by developmental home providers furnishing qualified foster care to individuals placed by the Department of Developmental and Mental Health Services (DDMHS) or by a developmental or mental health services agency under contract with DDMHS. (rule 2252.2);
  24. Reach Up support services, either as reimbursements or advance payments to the individual for child care, transportation, work-related expenses, work-related supportive services, education, or training-related supportive services;
    - i. Payments or reimbursements for child care expenses provided under Child Care Assistance for non-participants in Reach Up are also excluded as income in determining eligibility for or the benefit amount in Reach Up;
  25. Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended;
  26. The value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the Special Food Service Program for children under the National School Lunch Act, as amended (P. L. 92- 433 and P. L. 93- 150);
  27. Income distributed to members of certain Indian tribes referred to in Section 5 of P. L. 94-114 effective October 17, 1975;
  28. Any income received from an emergency fuel supplement or energy allowance to assist with the cost of heating;
  29. The first \$100 of child support paid on behalf of a child who is a member of the Reach Up household within each calendar month;
    - i. When more than one noncustodial parent makes child support payments on behalf of a single Reach Up household in the same calendar month, the maximum amount of child support to be disregarded in determining the household's eligibility is \$100;
  30. Any amount of child support paid on behalf of a child who is not a member of the Reach Up household;
  31. Vermont and Federal Earned Income Tax Credits (EITC), whether received with each paycheck or as a refund, including lump sum;
  32. Vermont and Federal Child Tax Credits;

33. Payments made pursuant to the Radiation Exposure Compensation Act (Public Law 101- 426);
34. Payments made under Indian Trust Funds Acts (Public Laws 97-458 and 98-64) and initial purchases made with such funds by the original recipient of the funds;
35. Up to \$2,000 annual income received from the lease or other uses of the individually-owned trust or restricted lands under the Indian Tribal Judgment Funds Use or Distribution Act, as amended;
36. Payments made pursuant to the Maine Indian Claims Settlement Act of 1980 to a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians;
37. Payments made to a member of the Aroostook Band of Micmacs pursuant to the Aroostook Band of Micmacs Settlement Act;
38. Financial assistance paid through the Disaster Mitigation Act of 2000, as amended, as major disaster and emergency assistance, including additional relief provided by States, local governments and disaster assistance organizations;
  - i. This disaster coverage is intended to provide relief to people living or working in an area severely struck by natural or man-made disaster;
  - ii. The disaster must have been so severe as to cause the President to designate a Federal Disaster Zone; and
39. German reparations to concentration camp survivors, slave laborers, partisans, and other victims of the Holocaust, including settlement payments to victims of Nazi persecution or their legal heirs resulting from the confiscation of assets during World War II.

**2254 Resources**

- a. Resources are defined as any assets, other than income, that a Reach Up household has available to meet the household's needs.
- b. Such assets generally take the form of real or personal property the household owns individually or jointly.
- c. The Department shall evaluate the total equity value of all resources, except items specifically excluded, to establish their combined value for comparison with the resource limitation outlined below.
- d. When a member of the Reach Up household and one or more persons, who are not members of the same household, own resources jointly, the Department shall consider at least a pro rata share of the resources available to the household unless they can demonstrate that such resources are inaccessible.
  1. When the Reach Up household can demonstrate that it has access to only a portion of the resource, the value of that portion shall count toward the household's resource limitation.

2. The resource shall be considered totally inaccessible to the Reach Up household if the resource cannot practically be subdivided and the household's access to the value of the resource is dependent upon the agreement of the joint owner.
- e. While receiving Reach Up benefits (including periods with zero benefits), the Department shall treat any liquid asset received by a Reach Up household, not otherwise excluded, as lump sum income (rule 2248.1).
- f. The Department shall disregard from the combined resources limitation any portion of a liquid asset that the Reach Up household has set aside for currently incurred unpaid expenses included in their basic needs and housing allowance (rule 2244).
- g. The Department shall disregard from the combined resource limitation an amount equal to the Reach Up household's monthly income, if it is established that this income will be used to meet current monthly expenses.
- h. When feasible, future and potential sources of resources shall be identified and developed (rule 2258).
  1. Reach Up benefits, in the amount needed based on currently available resources, shall continue until such potential resources become available, at which time appropriate budgetary adjustment shall be completed.

**2254.1 Combined Resources Limitation**

- a. The maximum combined allowable resources, including both liquid and non-liquid assets, of all members of the Reach Up household shall not exceed \$9000.
  1. The resources of an ineligible household member on strike are counted as specified in rule 2233.1.
  2. The resources of an ineligible household member convicted of having made a fraudulent statement or representation with respect to their place of residence to receive assistance simultaneously from two or more states are counted as specified in rule 2233.2.
  3. The resources of an ineligible fugitive felon or probation or parole violator are counted as specified in rule 2233.3.
  4. The resources of a parent, who is ineligible for Reach Up benefits due to immigration status, count toward the Reach Up household's combined resources limitation.
  5. The resources of the spouse or civil union partner of a pregnant person with no children count toward the Reach Up household's combined resources limitation, if they live together.
- b. The total equity value of all real and personal property, except excluded items, may not exceed \$9000.

**2254.2 Transfer of Property Prohibited**

- a. Any Reach Up household member, who has voluntarily assigned or transferred non-excluded real or personal property for the purpose of qualifying for Reach Up benefits or for a larger amount than they would otherwise be entitled, is disqualified from receiving Reach Up benefits for a period of two years from the date of the assignment or transfer.
- b. Property transfers that occurred more than two years before the date of application for Reach Up benefits shall not affect eligibility.
- c. Property transfers that occurred less than two years before the date of application for Reach Up benefits shall not disqualify the Reach Up household if:
  - 1. The transfer was not made solely to qualify for Reach Up benefits;
  - 2. Fair market value was received, and remaining proceeds are within resource limitations; and
  - 3. The transfer was to a legally liable relative, who spent the equity on the household member's behalf, for any of the following:
    - i. Medical care;
    - ii. Funeral expenses of a deceased spouse;
    - iii. Mortgage payments;
    - iv. Property taxes or insurance;
    - v. Cost of maintaining the household member's home; or
    - vi. Cost of the household member's living expenses in the relative's home.
- d. When a Reach Up household member could not initially establish eligibility due to a prohibited property transfer, they may avoid disqualification by having the property reconveyed to them for consideration as an available resource.

**2254.3 Property Sales**

- a. An excluded resource that is converted to a liquid asset is subject to the lump sum income rule 2248.1 when:
  - 1. There is a lump sum settlement from a real or personal property sale; and
  - 2. The property is owned by a Reach Up household member receiving Reach Up benefits.
    - i. Rule 2248.1 does not apply if the property was acquired before the Reach Up household member began receiving Reach Up benefits.
- b. The Reach Up household shall be permitted to retain the net proceeds from the sale of real

property occupied as their permanent home for a period not to exceed 90 days, provided that:

1. Net proceeds are held in a trust;
  2. The plan is to use these proceeds for purchase or construction of another home; and
    - i. The purchased home shall be occupied within 60 days from the date of agreement to purchase; or
    - ii. The constructed home shall be completed and occupied within twelve months from the date of agreement to construct.
- c. Payments to the Reach Up household under an installment contract on any real or personal property is treated as income and the balance of equity remaining from the mortgage is not considered a resource.
1. The household retains the option of selling the mortgage or accepting a lump sum settlement (rule 2248.1).

**2254.4 Excess Resources**

- a. Any resources in excess of the combined resources limitation and not treated as a lump sum (rule 2248.1) shall be considered available to the Reach Up household.
- b. A Reach Up household shall become ineligible for benefits until such excess resources are exhausted.
- c. If the excess resources are equal to or exceed the Reach Up household's benefit amount, the household is ineligible for a period of 30 days or until resources fall below the combined resources limitation, whichever timeframe is longer.

**2255 Real Property**

- a. Real property is defined for purposes of Reach Up eligibility as fixed property, including land, buildings, and mobile homes.
- b. Real property owned, used, and occupied as a home by the Reach Up household shall be excluded from combined resources limitation.
- c. The value of the Reach Up household's equity in real property that is owned but is not being occupied as a home by the household, may be excluded from the combined resources limitation for a period of up to 6 months provided the household is making a good faith effort to sell the property.
  1. A good faith effort to sell means:
    - i. The property is listed with a reputable real estate agent or publicly advertised in a general newspaper, magazine, or online publication no less than weekly;



- ii. The household is cooperating in marketing the property; and
    - iii. The household accepts reasonable purchase offers.
  2. Reach Up benefits paid during this home sale period shall be considered an overpayment.
  3. The household must agree that the proceeds of the sale shall be used to repay the Reach Up benefits received during this home sale period.
    - i. Any balance of the home sale proceeds shall be counted as a resource.
- d. If at the end of six months the property has not sold, and the Reach Up household continues to demonstrate a good faith effort to sell, the equity may be excluded from resources for a further period of 3 months with the approval of the Department.
  1. The equity must be considered a resource if the property is still unsold at the end of this additional three-month period.
- e. When a Reach Up household is temporarily living at a location other than property owned, and that property was previously used and occupied as their home, this temporarily uninhabitable property will be excluded from combined resources limitation. (rule 2247).
  1. When the home is uninhabitable for more than six months, exemption of the property as a home must be re-evaluated.

**2256 Personal Property**

- a. Personal property includes all liquid or non-liquid assets, other than real property.
- b. The Reach Up household may agree to convert payments being received as income on notes and mortgages under an installment contract to liquid assets.
- c. If payments are not being made on an installment contract and steps are not being initiated to foreclose, the entire equity remaining in a mortgage shall be considered a resource.
  1. If such resource exceeds the combined resources limitation, the Reach Up benefits will end.

**2256.1 Liquid Assets**

- a. Liquid assets are defined as cash, or assets that can readily be converted to cash and include:
  1. Interest on savings accounts only at time of initial Reach Up application and at each recertification;
  2. Stocks, bonds, and other securities shall be evaluated at the current market or redemption value; and
  3. The principal due on outstanding notes and/or mortgages payable to a Reach Up household

member.

- b. Loans, grants and scholarships obtained and used, regardless of source, for a specific purpose that precludes their use for current living costs, shall be excluded as a liquid asset (rule 2257).
- c. In those cases where resources are close to the combined resources limitation, verification of accrued interest shall be required.

**2256.2 Trust Funds /Trust Accounts**

- a. Evaluation of trust funds/trust accounts as a countable resource shall consider the terms of the trust.
- b. The value of the trust fund/trust account principal that can be made immediately available to a Reach Up household member shall be considered a countable resource.
- c. Unless prohibited by terms of the trust fund/trust account, accrued interest shall be considered as income in the month received and a resource thereafter.
- d. The value of the trust fund/trust account principal that cannot be made immediately available shall be excluded as a countable resource.
- e. Any special provisions for use of the trust fund/trust account principal shall be evaluated as a future or potential resource, including the recoupment of an overpayment.

**2256.3 Burial Plots - Funeral Agreements**

- a. One burial plot for each Reach Up household member may be excluded as a resource.
- b. One funeral agreement per member may also be excluded, provided the equity value of the agreement does not exceed \$1500.

**2256.4 Annuities**

- a. Annuities must be included as a Reach Up household resource unless the household can demonstrate that these funds are not and cannot be made available to them.
- b. In counting resources of households with annuities, the total cash value must be counted minus the amount of penalty, if any, for early withdrawal.

**2256.5 Vehicles**

- a. A vehicle is defined as a passenger car, truck or jeep, motorcycle, camper, van, snowmobile or boat that is operable or stored on blocks and includes all major operating parts.
- b. A non-operable vehicle minus operating parts is considered junk and thus does not come within the definition of a vehicle.

1. However, the salvage value of a junked vehicle may represent a substantial resource requiring individual evaluation.
  2. The vehicle's equity value equals the vehicle's fair market value minus the debt owed on the vehicle.
  3. In situations where the Reach Up household disagrees with the determined equity value of the vehicle being considered, a written appraisal of the value submitted by a licensed dealer will be accepted.
- c. The equity value of one operable motor vehicle for each adult and each child of driving age in the Reach Up household, who needs a vehicle to attend school or work, is excluded as a resource.
1. In situations where the household owns additional vehicles, they shall identify each vehicle to be excluded.
  2. The equity value of all remaining vehicles owned by the household, unless otherwise excluded, must be counted towards the combined resources limitation.
- d. If a vehicle excluded under this provision is sold and then replaced within 30 days of the date of the sale with another vehicle, the proceeds from the sale will be disregarded as a resource during this 30-day period.

**2256.6 Income-Producing Property**

- a. Income-producing property is personal property used as a means of livelihood and is excluded from the combined resources limitation (rule 2254.1).
- b. Income-producing property usually exists in quantities beyond the customary needs of normal living and is used by members of a Reach Up household to produce income for support of the household, including:
  1. Vehicles;
  2. Tools;
  3. Livestock;
  4. Equipment;
  5. Machinery; and
  6. Similar goods owned.
- c. Income-producing property may be owned by an unemployed Reach Up household member, who can reasonably be expected to return to work.

1. If there is no expectation that the unemployed Reach Up household member will return to work in that particular field, then the personal property shall be considered a resource.

**2257 Excluded Resources**

a. The following items are excluded resources:

1. Retroactive corrective payments that resulted from a Department underpayment in the month following receipt of the Reach Up benefit (rule 2218);
2. Real property owned, used and occupied as a home by applicant/participant or the spouse of an applicant/participant;
3. Equity value in real property owned, but not occupied as a home, by an applicant/participant for a certain period of time when a good faith effort is being made to sell (rule 2255);
4. Basic items essential to daily living such as clothes, furniture and other similarly essential items of limited value;
5. Personal property used to produce income (rule 2256.6);
6. The value of 3SquaresVT benefits;
7. The value of the U. S. Department of Agriculture donated foods or surplus commodities;
8. Any resources held by a recipient of SSI/AABD;
9. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
10. Bona fide loans (rule 2201), excluding loans to undergraduate students for educational purposes, shall not be considered to be income or a resource available to the household;
11. Grants, loans or work/study to any undergraduate student for educational purposes that are:
  - i. Made or insured under any program administered by the Commissioner of Education;
  - ii. The sponsor of such grant or loan precludes the use of such funds for maintenance purposes; or
  - iii. The work/study program is administered by the college or university in which the undergraduate student is enrolled.
12. One burial plot for each Reach Up household member and one funeral agreement per member (rule 2256.3);
13. Any amount of renters' or property tax rebate excluded from income under rule 2248.1 and set aside for the purpose of using it to pay rent or property taxes due within 12 months of the Reach Up household's receipt of such rebate;
14. Payments to persons of Japanese or Aleut ancestry as restitution for injustices suffered during the Second World War;
15. Vermont and Federal earned income tax credits (EITC), whether received with each paycheck or as a refund following the end of the tax year, are excluded for a period of 12 months from

receipt.

16. Vermont and Federal Child Tax Credits are excluded for a period of 12 months from receipt;
17. Payments made from the Agent Orange Settlement Fund or any other fund established because of the Agent Orange product liability litigation, retroactive to January 1, 1989;
18. The value of assets accumulated from the subsidized or unsubsidized earnings of adults and children in participating Reach Up households is excluded for the purposes of determining continued eligibility;
  - i. Interest earned on excluded assets is also excluded.
  - ii. Nonliquid assets, purchased with savings from earnings or with a combination of savings from earnings and other excluded income or resources, such as SSI/AABD retroactive benefits or federal earned income tax credit lump sum income, are excluded.
  - iii. Liquid assets excluded under this policy must be kept in a separate bank account from other liquid assets, unless to do so would create a hardship.
    - A. A hardship exists when there is no bank within a reasonable distance from the earner's residence or place of work that allows a bank account without charging fees.
  - iv. If a Reach Up household reapplies for benefits after benefits are terminated, assets accumulated during the time the household was not participating in Reach Up are excluded, provided that all other criteria specified for exclusion are met.
19. Payments made pursuant to the Radiation Exposure Compensation Act (Public Law 101-426);
20. Payments made under Indian Trust Funds Acts (Public Laws 97-458 and 98-64) and initial purchases made with such funds by the original recipient of the funds;
21. Interest held in a trust or in restricted lands under the Indian Tribal Judgment Funds Use or Distribution Act, as amended;
22. Distributions made under the Alaska Native Claims Settlement Act of 1971 (as amended) as follows:
  - i. Cash, including cash dividends on stock received from a Native Corporation to the extent that it does not, in the aggregate, exceed \$2000 per individual per calendar year;
  - ii. Stock, including stock issued or distributed by a Native Corporation as a dividend or distribution on stock;
  - iii. A partnership interest;
  - iv. Land or an interest in land, including those received from a Native Corporation as a dividend or distribution on stock; or
  - v. An interest in a settlement trust.
23. Payments made pursuant to the Maine Indian Claims Settlement Act of 1980 to a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians;
24. Payments made to a member of the Aroostook Band of Micmacs pursuant to the Aroostook

- Band of Micmacs Settlement Act;
25. Student financial assistance provided under the Carl D. Perkins Vocational and Applied Technology Education Act is disregarded as resources when the assistance is made available to meet attendance costs, which include:
- i. Tuition and fees normally assessed a student carrying the same academic workload as the applicant/participant, as determined by the institution, including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study; and
  - ii. An allowance for books, supplies, transportation, dependent care and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.
26. Student financial assistance provided under Title IV of the Higher Education Act or Bureau of Indian Affairs Student Assistance programs, including the following.
- i. Pell Grants;
  - ii. Supplemental Educational Opportunity Grants (SEOG);
  - iii. State Student Incentive Grants (SSIG);
  - iv. College Work Study (CWSP);
  - v. Perkins Loans (formerly National Direct Student Loans), which do not include the Carl D. Perkins Vocational and Applied Technology Education Act outlined below; or
  - vi. Guaranteed Student Loans (GSLP), including PLUS loans and Supplemental Loans for students.
27. Financial assistance paid through the Disaster Mitigation Act of 2000, as amended, as major disaster and emergency assistance, including additional relief provided by States, local governments and disaster assistance organizations;
- i. This disaster coverage is intended to provide relief to people living or working in an area severely struck by natural or man-made disaster.
  - ii. The disaster must have been so severe as to cause the President to designate a Federal Disaster Zone.
28. German reparations to concentration camp survivors, slave laborers, partisans, and other victims of the Holocaust;
29. Settlement payments to victims of Nazi persecution or their legal heirs resulting from the confiscation of assets during World War II;
30. Loan and cash value of whole life insurance;
31. Savings from earned income, matching dollar contributions, and accumulated interest deposited in Individual Development Accounts (IDAs) or a matched savings account sponsored by a

community organization;

32. Funds in a retirement account, such as an individual retirement arrangement (IRA), a defined contribution plan qualified under 26 U.S.C. § 401(k), or any similar account as defined in 26 U.S.C. § 408; and
33. Funds in a qualified child education savings account, such as the Vermont Higher Education Investment Plan, established in 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529.

**2258 Potential Income and Resources**

- a. Potential sources of income or resources shall be explored to meet current or future needs of the Reach Up household.
- b. Steps to identify and develop potential income or resources include:
  1. Filing an application for unemployment compensation for which the Reach Up household member may be entitled.
  2. If a household member potentially eligible for unemployment compensation fails or refuses to apply for unemployment compensation, they shall be ineligible for Reach Up.

**2259 Potential Eligibility for Pension and Other Benefit Programs**

- a. Entitlement to social security, Supplemental Security Income, railroad retirement, veterans' benefits, or similar benefit programs will be explored with the applicant/participant.
- b. Certain criteria may indicate potential or future entitlement of such benefits for these applicants/participants and their legally liable relatives, including:
  1. Current age;
  2. Physical or mental conditions;
  3. Survivor/dependent status of applicants/participants; and
  4. Employment and military service history.
- c. If any member of a Reach Up household is an elderly or disabled adult, or the child of a deceased or disabled parent, and has not already applied for social security or Supplemental Security Income benefits, the household shall be referred to the nearest social security office to apply for these benefits.

**2260 Insurance and Liability Claims**

- a. Insurance, in general, provides protection against specific future or unanticipated expense or loss of income.

- b. The following types of insurance owned by a Reach Up household member shall be evaluated for immediate or future potential income or resources:
  - 1. Life insurance, as a resource for burial and/or other final expenses of the insured, and as a source of income and/or resources for a surviving beneficiary of the Reach Up household;
  - 2. Health insurance, as a resource for illness or accident expenses of the Reach Up household;
  - 3. Disability income protection, potentially combined with either life or health insurance, as a resource to meet current needs of the insured and/or legal dependents; or
  - 4. Potential liability of a third-party shall be identified and appropriate claim initiated in cases involving personal injury and/or property damage.

**2261 Potential Support from Relatives**

- a. The Department emphasizes a support obligation of spouses, or civil union partners, for each other and of parents for their children.
- b. Potential sources of support shall be identified during the application/review process from the following legally liable relatives, who are absent from the home for any reason other than death:
  - 1. A parent of a dependent child; and
  - 2. A spouse.
- c. When appropriate, parents/caretakers shall be encouraged to take the initiative in securing support from other interested relatives and/or friends.
- d. Parents/caretakers shall cooperate with the Department to:
  - 1. Contact relatives, who may be legally liable for child support (rule 2232.1); or
  - 2. Pursue legal action to enforce child support obligations or establish parentage, unless there is good cause for refusal (rule 2232.3).

**2261.1 Reporting Child Abandonment to Law Enforcement**

- a. 33 VSA §1104 requires immediate notice to the appropriate law enforcement officials when Reach Up benefits are granted due to abandonment of a child by a parent.
- b. The applicant/participant must be informed of the Department's legal obligation under 33 VSA §1104 to report the receipt of Reach Up benefits to the appropriate law enforcement official.
  - 1. If the applicant/participant is unwilling to have the report made, they have the choice of withdrawing their request for benefits.



2. Clear communication of this legal requirement, including the possibility that testimony may be required, is required to enable the applicant/participant to make an informed choice.
- c. Notification is required in all cases of abandonment by a biological, step or adoptive parent, including any married parent.

## **2262 Notice and Appeal of Reach Up Decisions**

- a. Reach Up households have a right to notice (rule 2262.1) and appeal of actions the Department takes on their case or required actions the Department fails to take (rule 2262.2).
- b. The Department shall provide notice to all Reach Up households of their right to appeal to the Human Services Board for a fair hearing concerning the Department's actions or inactions and shall provide them with notice of their rights and the procedures applicable to such appeals.

### **2262.1 Notice of Appeal Rights**

- a. The Department shall provide all Reach Up households with written notice of their appeal rights at the time of their application and each time they receive notice of any Department adverse action or decision.
  1. Department adverse actions are decisions that may deny, modify, or terminate a Reach Up household's benefits.
- b. The written notice shall include:
  1. The reasons for the adverse action or decision;
  2. How appeals may be initiated;
  3. Where a person may obtain a copy of the Human Services Board rules;
  4. Where to obtain legal assistance, if needed; and
  5. How to obtain interpretation services, if needed.

### **2262.2 Grounds for Appeal of Reach Up Decision**

- a. A Reach Up household that disagrees with the Department may appeal the following actions or inaction by the Department:
  1. Denial of their claim for Reach Up benefits or services;
  2. Failure to act with reasonable promptness;
  3. Actions that affect the household's receipt of benefits or services, including sanctions;
  4. Implementation of Department policy, or lack thereof, that affects the household's situation; and

5. Required provisions included in the FDP.
- b. Appeals related to Reach Up Services decisions are covered in Reach Up Services rule 2331.

**2262.3 Appeal of Reach Up Decision**

- a. A request for a fair hearing on a Reach Up household's appeal of a Department decision must be made within 90 days of the mailing date of the notice of decision.
- b. Except where indicated below, benefits continue without change if a household requests a fair hearing before the effective date of the decision and wishes to have benefits continue during the appeal process.
  1. A household may request that the adverse action be implemented pending the outcome of the fair hearing.
- c. If the effective date of the decision is on a weekend or a holiday, a household has until the end of the first working day immediately following the effective date of the decision to appeal the decision and receive continuing benefits.
- d. If benefits continue at the same level and the Human Services Board decision is favorable to the Department, then any overpayment received by a household pending the fair hearing will be subject to recoupment (rule 2219).
- e. If a household requests that benefits not be continued at the present level, and the Human Services Board decision is favorable to the household, the Department must retroactively pay any underpayments to the household.
- f. If a household withdraws from the fair hearing process prior to the fair hearing, the Department will seek recoupment of any overpayment received by the household because of the fair hearing request.
- g. Benefits do not continue without change in the following circumstances:
  1. The sole issue is one of state or federal law or policy, or change in state or federal law;
  2. The household requests not to receive continued benefits pending the fair hearing;
  3. An unrelated change affecting the benefits occurs while the fair hearing decision is pending, the change is processed, and the household does not request a fair hearing after notice of that change; or
  4. The request for a fair hearing is made within the 90-day appeal period but not within the period that allows benefits to continue pending appeal.
- h. See rule 2262.4 related to continuation of benefits during a pending fair hearing related to protective payments.

**2262.4 Appeal of Protective Payment Decision**

- a. If a protective payment plan is used, the parent/caretaker may appeal to the Human Services Board for a fair hearing concerning the following protective payment decisions:
  - 1. Determination that protective payment should be made or continued; or
  - 2. The selection of the protective payee.
- b. Protective payments shall continue pending the decision of the Human Service Board on the appeal request, even if a request for a fair hearing is made before the decision goes into effect, in the following cases:
  - 1. Difficulty with money management results in budget assistance through a protective payment plan due to nonpayment of rent as determined under rule 2220.1(b)(1); or
  - 2. Where housing costs have been vendored due to the parent's/caretaker's temporary absence under rule 2220.
- c. Protective payments shall not continue pending the Human Service Board decision if a parent/caretaker requests an appeal before the decision goes into effect in the following cases:
  - 1. Where the health and safety of the child is jeopardized by the inability of the parent/caretaker to meet basic financial obligations on a regular basis under rule 2220.1(b)(2); or
  - 2. Where housing costs have been vendored because of a sanction for failure to meet Reach Up participant requirements under rule 2220.

**2263 Severability**

- a. If any part of these Rules is held invalid by a court of competent jurisdiction, the invalidity shall not be construed to render the remaining parts of the Rules invalid.