



# Quick Reference Guide

## Income and Assets for Financial Assessment

***Income:*** Payments from any source unless specifically excluded. The following sources of income are ***counted*** for the purposes of completing the financial assessment (means test):

### Count:

- Alimony
- Allowances
- Benefits Subject to Garnishment
- Complaint Settlement
- Cooperative (Co-op) Dividends
- Death Benefit paid from Life Insurance Policy
- Department of Labor Employment Programs
- Dependency and Indemnity Compensation – This benefit program pays a monthly payment to a surviving spouse, child, or parents of a deceased military service member or Veteran.
- Farm Income/Conservation Resource Program Payments
- Foreign Currency Conversion
- Gambling/Lottery Winnings
- GI Bill
- Gifts and Inheritance of Property or Cash (The fair market value of gifts or inherited property is countable in the year they are received)
- Individual Retirement Account (IRA) Distributions
- Interest and Dividends
- Net Profits and Depreciation from Business, Farm and Ranch, Real Estate, Partnership, and S Corporations (Depreciation is added back in as income)
- Other Income (Prizes/Awards, Inheritances)
- Payments from Stocks and Bonds, Capital Gains
- Pensions, Annuities, Railroad Retirement

- Revocable Trust
- Royalties (Books, Music, Art, etc.)
- Settlements:
  - » Alaska Native Claims Settlement Act (amounts *exceeding* \$2,000 per individual per annum - including cash dividends on stock received from a Native Corporation)
  - » American Indian Beneficiaries from trust or restricted lands (amounts *exceeding* \$2,000 per individual per calendar year)
- Social Security Benefits and Death Benefit Payment (including retroactive Lump Sum Payment from previous years)
- Timber Sales
- Unemployment Compensation
- VA Disability Compensation – For the purposes of completing a financial assessment, the gross household income for a Service-connected Veteran who is receiving VA disability compensation and is married to a Nonservice-connected Veteran who is completing the financial assessment, the VA disability compensation benefits would be countable income for the household
- Value of Room and Board/Housing Allowances
- Wages (Employment), Salaries, Bonuses, Severance Pay, Tips, and Other Accrued Benefits, etc.
- Workers Compensation

*NOTE: The above list is not all inclusive.*

The following sources of income are **not counted** for the purposes of completing the financial assessment (commonly known as a means test):

**Do Not Count:**

- Caregiver Payments
- Chore Service Payments
- Crime Victims Compensation Act Payments
- Disaster Relief Payments or Proceeds of Casualty Insurance
- Discharge of Indebtedness
- Federal Emergency Management Agency (FEMA) Disaster Insurance Payments
- Federal Government Sponsored Economic Stimulus Refunds
- Foster Care Payments
- Income from Domestic Volunteer Service Act Program
- Income Tax Refunds
- Loans (Reverse Mortgages)

- Maintenance
- Needs-Based Payments from Government Agency
- Payments for participation in a program of Rehabilitative Services
- Provisional Income
- Relocation Expenses
- Scholarships and Grants from school attendance
- Settlements:
  - » Agent Orange
  - » Alaska Native Claims Settlement Act (income of *up to* \$2,000 per individual per annum - including cash dividends on stock received from a Native Corporation)
  - » American Indian Beneficiaries from trust or restricted lands (income of *up to* \$2,000 per individual per calendar year)
- VA Pension Payments
- Welfare, Supplemental Security Income (SSI), Compensated Work Therapy (CWT), Incentive Therapy (IT) earnings
- Withheld Social Security Overpayments

**NOTE:** *The above list is not all inclusive.*

**Assets:** *Items of ownership convertible into cash; total resources of a person or business, as cash, notes and accounts receivable, securities, inventories, goodwill, fixtures, machinery, or real estate. The following sources of income are counted as assets for the purpose of completing the financial assessment (formerly known as a means test).*

**Count:**

- Bank Deposits
- Collectibles (Art, Coins, Antiques, etc.)
- Energy Royalties
- Gas Reserves
- Health Savings Account Balances
- Inherited Property (If sold in another year other than the one it is inherited, proceeds are considered an asset)
- Irrevocable Trust (depending on the type)
- Mineral Royalties
- Occasional Sale of Property (If occasional sale of property is inherited, it is counted as income in the year it is received)
- Other property of value used for investment or pleasure (Boats, Time-Shares, Recreational Vehicles,

Thoroughbred Racehorses, etc.)

- Real Estate (excludes primary residence)
- Stocks, Bonds, Individual Retirement Accounts (IRAs), Certificates of Deposit (CDs), 401(k)

**Do Not Count:**

- Deferred Sale
- Foreclosures
- Installment Sale
- Insurance policy with cash value
- Motor Vehicles, Jewelry, Household Possessions (Personal)
- Sale of Property (Sale of Primary Residence and Family Heirlooms not used for investments)

***Deductible Medical Expenses:*** May be used to reduce other countable income for purposes of increasing pension benefits. In order to be deducted from income, out-of-pocket non-reimbursed medical expenses must exceed 5% of the VA Maximum Annual Pension Rate for the previous year.