

Community Eligibility Provision (CEP)
New Jersey Department of Education
Special Circumstances for Household Size & Income

Information on determining household size and income:

Children, in General

- All children in the household, regardless of age, should be included in the list of household members and in the count for household size.
- Regular earnings from children who work full or part-time, or who receive income from another source (such as Supplemental Security Income or Social Security) should be included in the household's total income.
- Occasional earnings such as baby-sitting or mowing lawns should not be included as income.

Adopted Children

- Adopted children are considered members of the household.
- Any adoption assistance payments received under Title IV-E of the Social Security Act) should be included in total household income.

Foster Children

- Foster children are considered members of the foster parents' household.
- Payments received for the care of the foster child should **not** be included in household income.
- A child living with relatives informally rather than Court order or State intervention is **not** considered a foster child.

Joint and Shared Custody, or children living with Relative or Friends

- In shared custody arrangements, the child is considered a member of the household of primary custody or residence.
- Any child support (or alimony) received by a household must be included in the receiving household's income.
- When a child physically changes residences through a joint custody arrangement, each parent should complete their own CEP form with both counting the child as a household member.
- When a child is living with relatives or friends, the child (and any income earned) should be included in the totals for the household in which he or she resides.

Foreign Exchange Students

- Foreign exchange students should be included in the household in which they reside.

Adult Children who pay room and board

- Household membership is determined by economic independence.
- If the household expenses are prorated so the adult child pays a share (rent, utilities, etc.), then he or she would be considered a separate economic unit, and the rent received would be counted as income for the parents' household.
- An adult child who pays only a token amount is not considered economically independent from his or her parents, and should be included in the household totals for size and income. The token rent payment should not be included in the total household income.

Children away at school or college

- Children who live in the household, but who are temporarily away at school are considered members of the household, and their income should be included in the household income.
- Any financial assistance received for attendance at an educational institution (i.e. grants and scholarships) should **not** be included in the household's income.

Families of Military/Armed Services Personnel

- Any member of the armed services who is activated or deployed in support of combat should be included in the household size.
- Money made available to them on their behalf for the household is included as income (except that combat pay is not included).
- Benefits paid directly to the service person (i.e. housing, food, or clothing allowances) should be included in the household income. In-kind benefits (i.e. the value of actual housing provided) are not included as income.

Additional information on income reporting:

Self-Employed Income

- Self-employed individuals should report net income instead of gross income. Net income is defined as gross income less business expenses (i. e. the cost of goods purchased, rent, utilities, wages and salaries paid, and other operating expenses).
- When there is a business loss, income from wages cannot be reduced by the amount of the loss. If income from self-employment is negative, it should be counted as zero.

Irregular Income

- Household members who have fluctuating income should report the wages and salary they typically receive in a year. This can be based on the previous month's salary or a projection for the current year.
- If a household member has recently lost his or her job, the income should be considered zero.

Summary of Income Exclusions

- Benefits from SNAP or FDPIR;
- Payments received for the payment of foster children;
- Financial assistance received for attendance at an educational institution;
- Loans (including bank loans);
- Occasional earnings received on an irregular basis;
- Military combat pay and the Family Subsistence Supplemental Allowance (FSSA);
- Lump sum payments (i.e. cash settlements such as insurance payments for losses).