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STATE INSTRUCTION NUMBER 16-18

To: Local Workforce Development Board Chairs
Local Workforce Area Signatory Officials
Local Workforce Area Administrators

Subject: Updated Federal Income Guidelines

Issuance Date: June 7, 2017

Effective Date: Immediately

Purpose: To transmit updates to federal income guidelines used in establishing eligibility for Workforce Innovation and Opportunity Act (WIOA) participation and/or specific WIOA services.

References: Workforce Innovation and Opportunity Act Section 3(36); Federal Register, Volume 82, Number 98, May 23, 2017, *US Department of Labor 2017 Lower Living Standard Income Level*; Federal Register, Volume 82, Number 19, January 31, 2017, *US Department of Health and Human Services 2017 Poverty Guidelines*.

Background: Annually, the US Department of Labor (USDOL) determines the Lower Living Standard Income Level (LLSIL). Likewise, the Department of Health and Human Services (HHS) updates the poverty guidelines. The LLSIL and poverty guidelines are used for several purposes in WIOA programs, including determinations of program eligibility and needs-related payment levels.

Policy:

Program Eligibility – WIOA defines the term “low income individual” using various criteria, including receipt of income that does not exceed the higher level of the poverty line or 70 percent of the LLSIL. Attachment A, WIOA Family Income Guidelines, incorporates the most recent updates to the USDOL issued 70 percent LLSIL and the HHS issued poverty levels. These guidelines apply when using income as the determining criteria for “low income individuals.”

Self-Sufficiency – WIOA allows employed individuals to receive individualized career services without determining self-sufficiency. Training services may be made available to employed and unemployed adults and dislocated workers who are determined:

- unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services; and
- in need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment.

WIOA allows the State, as well as Local Boards, to adopt, calculate, or commission for approval an economic self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-state geographical considerations. Until such economic self-sufficiency standard(s) are determined, local workforce development areas may continue to use the “self-sufficiency” criteria adopted under WIA. At a minimum, such criteria provides “that self-sufficiency means employment that pays at least 100 percent of the LLSIL” based on family size and income. Self-sufficiency for dislocated workers may be defined in relation to a percentage of the layoff wage. Attachment B, *100% Lower Living Standard Income Levels*, represents updated 100 percent LLSIL amounts by family size. These guidelines, along with Local Board criteria, should be used in determining the need for training services.

Needs-Related Payments – For adult and dislocated worker participants, WIOA allows financial assistance for the purpose of enabling individuals to participate in training. To receive needs-related payments, all participants must be unemployed, enrolled in training, and not receiving unemployment compensation or trade readjustment allowances under TAA. In addition, Dislocated worker participants must be enrolled in training under WIOA by the end of the 13th week after the most recent layoff that resulted in a determination of the worker’s eligibility as a dislocated worker, or, if later, by the end of the 8th week after the worker is informed that a short-term layoff will exceed 6 months. For those dislocated worker participants who did not qualify for unemployment compensation or trade readjustment assistance under TAA, the enrollment in training deadlines do not apply.

Payment levels for any WIOA participants receiving needs-related payments (adults or dislocated workers) are established by each Local Workforce Development Board. In determining the level of needs-related payments for dislocated workers, payments may not exceed the greater of either:

- the applicable weekly level of unemployment compensation benefits, for participants who were eligible for unemployment compensation as a result of the qualifying dislocation; or
- the poverty level for an equivalent period, for participants who did not qualify for unemployment compensation as a result of the qualifying layoff. The weekly payment level must be adjusted to reflect changes in total family income, as determined by Local Board policies.

Attachment C, *Poverty Level Guidelines*, represents HHS poverty levels for use in determining needs-related payment amounts for dislocated workers.

Action:

- You are responsible for the distribution and implementation of this policy guidance within your local workforce system.
- Replace State Instruction 15-14, *Updated Federal Income Guidelines*, with this State Instruction.
- Effective immediately, use the attached guidelines for future eligibility determinations under WIOA.

Inquiry: Questions regarding this instruction may be directed to Scott Ferguson at (803) 737-2671 or RSFerguson@dew.sc.gov.



Patricia Sherlock, Director
Policies and Procedures

Attachments

**WIOA FAMILY INCOME GUIDELINES
FOR SOUTH CAROLINA
(Federal Register May 23, 2017)**

<u>Size of Family Unit</u>	<u>Non-Metro</u>	<u>Metropolitan*</u>
1	12,060	12,060
2	16,240	16,240
3	20,420	20,727
4	25,197	25,588
5	29,734	30,201
6	34,773	35,321
7	39,812	40,441
8	44,851	45,561

For families larger than eight, add for each additional person in the family:

\$5,039 for non-metropolitan

\$5,120 for metropolitan

NOTES

*The metropolitan areas of South Carolina include the following counties: Aiken, Anderson, Berkeley, Calhoun, Charleston, Darlington, Dorchester, Edgefield, Fairfield, Florence, Greenville, Horry, Kershaw, Lexington, Laurens, Pickens, Richland, Saluda, Spartanburg, Sumter, and York.

The 70 percent Lower Living Standard Income Level (LLSIL) and the Poverty Guidelines are used under WIOA for eligibility purposes. WIOA defines the term "low income individual" as one who qualifies under various criteria, including an individual who received income for a six-month period that when annualized, does not exceed the higher of the poverty level or 70 percent of the lower living standard income level.

These guidelines incorporate the latest 70% LLSIL from the U. S. Department of Labor and poverty levels from the U. S. Department of Health and Human Services. The figure for a particular family size is the maximum household income the individual is permitted in order to qualify as low income under WIOA. This issuance supercedes all previously issued Family Income Guidelines. The Family Income Guidelines are updated periodically when national guidelines change. It is important that the previous copies of the guidelines are kept and are not discarded. The older versions, for example, would be used to review income levels in effect at the time an individual originally applied for WIOA.

Use to determine an individual's Low-Income Status for WIOA services.

**100% LOWER LIVING STANDARD INCOME LEVELS
FOR SOUTH CAROLINA
(Federal Register May 23, 2017)**

<u>Size of Family Unit</u>	<u>Non-Metro</u>	<u>Metropolitan*</u>
1	12,968	13,166
2	21,245	21,573
3	29,159	29,609
4	35,995	36,555
5	42,478	43,144
6	49,676	50,459
7	56,874	57,774
8	64,072	65,089

For families larger than eight, add for each additional person in the family:
\$7,198 for non-metropolitan \$7,315 for metropolitan

NOTES

*The metropolitan areas of South Carolina include the following counties: Aiken, Anderson, Berkeley, Calhoun, Charleston, Darlington, Dorchester, Edgefield, Fairfield, Florence, Greenville, Horry, Kershaw, Lexington, Laurens, Pickens, Richland, Saluda, Spartanburg, Sumter, and York.

In WIOA, training services may be made available to employed and unemployed adults and dislocated workers who are determined:

- Unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services; and
- In need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or high than wages from previous employment.

WIOA allows the State, as well as Local Boards, to adopt, calculate, or commission for approval an economic self-sufficiency standard that specifies the income needs of families, by family size, the number and ages of children in the family, and sub-state geographical considerations. Until such economic self-sufficiency standard(s) are determined, local workforce development areas may continue to use "self-sufficiency" criteria adopted under WIA. At a minimum, such criteria provides "that self-sufficiency means employment that pays at least 100 percent of the LLSIL" based on family size and income. Self-sufficiency for dislocated workers may be defined in relation to a percentage of the layoff wage. These guidelines, along with Local Board criteria, should be used in determining the need for training services.

The USDOL 100% LLSIL is updated periodically when national guidelines change. It is important that the previous copies of the guidelines are kept and are not discarded. The older versions, for example, would be used to review income levels in effect at the time an individual originally applied for WIOA training services.

May be used to determine an individual's self-sufficiency for receipt of training services in WIOA.

**POVERTY LEVEL GUIDELINES
FOR SOUTH CAROLINA
(Federal Register January 31, 2017)**

<u>Size of Family Unit</u>	<u>Income</u>
1	12,060
2	16,240
3	20,420
4	24,600
5	28,780
6	32,960
7	37,140
8	41,320

For families larger than eight, add **\$4,180** for each additional person in the family.

The poverty guidelines are used to determine eligibility for dislocated workers who are in need of financial assistance (Needs-Related Payments) to participate in training programs under WIOA. WIOA statute indicates the level of needs-related payments is determined by the following:

- (a) The payment level for adults must be established by the Local Board.
- (b) For dislocated workers, payments must not exceed the greater of either: (1) the applicable weekly level of unemployment compensation benefits, for participants who were eligible for unemployment compensation as a result of the qualifying dislocation; or (2) the poverty level for an equivalent period, for participants who did not qualify for unemployment compensation as a result of the qualifying layoff. The weekly payment level must be adjusted to reflect changes in total family income, as determined by Local Board policies.

The poverty guidelines are issued each year by the Department of Health and Human Services (HHS). It is important that the previous copies of the guidelines are kept and are not discarded. The older versions, for example, would be used to review income levels in effect at the time an individual was determined to be eligible to receive financial assistance (Needs-Related Payments) under WIOA.

Use to determine needs-related payments for dislocated workers in WIOA.