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TO: **Economic Support Supervisors  
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Training Staff  
Child Care Coordinators  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers**

FROM: Amy Mendel-Clemens  
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<b>BEM/DWS OPERATIONS MEMO</b>					
No: 05-24 Correction 8/02/2005					
DATE: 07/25/2005					
FS	<input checked="" type="checkbox"/>	MA	<input checked="" type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other	EP	<input type="checkbox"/>	★
<b>PRIORITY: HIGH</b>					

SUBJECT: **Treatment of Military and Combat Pay**

**CROSS REFERENCE:** Federal Policy Memo January 14, 2005  
FoodShare Handbook 3.2.1.2.1 and 4.3.2

**EFFECTIVE DATE** Date of this memo

**PURPOSE**

This memo:

1. Outlines the new FoodShare and Medicaid policy regarding additional pay received by military personnel as a result of deployment to a combat zone, and
2. Outlines the new policy regarding military pay for FoodShare (FS).

**BACKGROUND**

On December 8, 2004, the President signed The Consolidated Appropriations Act of 2005 (Public Law 108-447). This law states that additional pay received by military personnel, as a result of deployment to a combat zone, is excluded as income in the FoodShare Program.

CURRENT POLICY

Currently there is no policy on combat pay.

NEW POLICY

Workers are now required to determine if a military allotment made available to an AG by an absent member deployed to a combat zone should be excluded when determining eligibility. Disregard any amount of combat zone pay that goes to the household that is in excess of the military person's pre-deployment pay. The exclusion lasts while the military person is deployed to the combat area.

If the amount of military pay from the deployed absent family member is equal to or less than the amount the household was receiving prior to deployment, all of the allotment would be counted as income to the household. Any portion of the military pay that exceeds the amount the household was receiving prior to deployment to a designated combat zone should be excluded when determining the household's income for FS and MA purposes.

**PROCEDURE**

Follow these steps in determining how to budget combat zone pay:

1. Ask if the service member is deployed to a combat zone.
2. If the answer is no, verify military pay using a bank record or Leave and Earnings Statements (LES) and clearly document in case comments how income to the FS AG was determined and verified.

**NOTE** ➤ Income is not a mandatory verification item for MA. Verify income for MA only if the information supplied by the client is questionable. A statement from the customer noting how much is combat pay, and how much is not combat pay is sufficient, unless that statement/information is deemed questionable.

3. If the answer is yes, verify the service member's pay before deployment to a combat zone and the amount s/he receives due to being assigned to a combat zone. A Leave and Earnings Statements (LES) or bank records can be used to verify this amount.
4. Any portion that is more than the amount the person was receiving immediately before deployment to a combat zone is exempt as combat pay.
5. Clearly document in case comments the combat pay source of verification and method used to determine amount to be disregarded and budgeted.

**Example**

John's wife, Bonnie and their daughter have an open FS/MA case. John is in the military stationed overseas, his monthly income is \$1,000. John sends his wife \$1,000 every month.

When John is deployed to a combat zone his pay is increased to \$1,300 a month. Because the \$300 is combat pay, it is exempt income and not counted in the determination. The pre-combat pay of \$1,000 is budgeted as unearned income for FS and MA.

## **RESTORATION OF LOST BENEFITS FOR FOODSHARE**

This policy is retroactive to October 1, 2004 for FoodShare. Any FS AG that had an increase in income, as a result of the deployment of the service member to a designated combat zone that was counted in their FS case as of October 1, 2004, is entitled to restoration of lost benefits. A determination should be made at the next recertification, unless the FS AG requests a review prior to that date.

This policy is effective for MA with the publication of this Operation Memo.

## **MILITARY PAY – JOINT ACCOUNT POLICY**

Frequently, deployed military personnel make financial arrangements so that a portion of their military pay goes to a family member stateside. This can be in the form of an “allotment check.” Generally funds are made available to the Assistance Group (AG) by direct deposit, of all or a portion of the military person’s pay, into a joint bank account. The military pay that is deposited into a joint account with a member of the AG is considered unearned income when determining FS and MA eligibility.

### CURRENT POLICY

FSHB Section 3.2.1.2.1 currently states “if military income is direct deposited into a joint bank account between a person in the military and a member of the food unit, it will be counted as an asset for the food unit in the month after receipt. However, military allotments paid to a spouse or dependent of the person in the military are budgeted as unearned income as long as the spouse or dependent is a member of the food unit. This includes cash sent directly from the person in the military to a food unit member.”

### NEW POLICY

In an effort to remain consistent between assistance programs, FS policy is being aligned with current MA policy. **Treat income directly deposited into a joint account or the allotment check amount sent to the FS AG as unearned income for the AG.**

### PROCEDURE

1. Verify military pay deposited into a joint account or the amount of the allotment check. Bank records or Leave and Earnings Statements (LES) can be used to verify this amount.

**NOTE** ➤ Income is not a mandatory verification item for MA. Verify income for MA only if the information supplied by the client is questionable.

2. Clearly document in case comments how income available to the FS AG was determined and verified.

#### **Example 1**

Dori is in the military and receives \$1000 per month in wages. Dori’s husband Louie and their son Joe have an open FS/MA case. Dori has her military pay directly deposited into a bank account in her name only; Louie has no access to the funds or to the account. Do not count any of Dori’s income in the eligibility determination for Louie and Joe.

**Example 2**

Ben is in the military. His paycheck is \$1,000 a month. He has \$500 directly deposited into his account and \$500 directly deposited into a joint account with his wife, Andrea. The \$500 directly deposited into the joint account is budgeted as unearned income in Andrea's FS and/or MA determination. Since Andrea does not have access to Ben's account, only the amount deposited in their joint account is counted.

**Example 3**

Tim is in the military making \$1,200 a month. An allotment check of \$1,000 is paid directly to his wife Karla, and \$200 to himself. \$1,000 is budgeted as Karla's unearned income for her FS and/or MA determination.

**CONTACTS**

BEM CARES Information & Problem Resolution Center

★Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.