**Section 121.31 Exempt Unearned Income**

The following unearned income is exempt:

a) Vendor payments when these are made in behalf of a household by a nonhousehold member with nonhousehold funds, and paid directly to the household's creditors or person or organization providing the service to the household. (This includes rent and mortgage payments made to landlords or mortgagees by Housing and Urban Development (HUD));

b) Monies that are legally obligated and otherwise payable to the household such as, but not limited to, garnished wages, public assistance grants directed to a protective payee, GA disbursing orders and payments directed to a vendor, and support or alimony payments legally obligated to a household member, but which are diverted by the provider of the payment to a third party for a household expense, are counted as income and not excluded as a vendor payment. The following are considered vendor payments and not diverted income:

1) Rent paid directly to a landlord by a household's employer in addition to paying the household its regular wages;

2) Assistance payments that would not normally be provided in a money payment to the household, and that are over and above normal public assistance or general assistance grants, if they are made directly to a third party for a household expense;

3) Child support or alimony payments specified by a court order or other legally binding agreement to go directly to a third party rather than to a household;

4) Support payments not required by a court order or other legally binding agreement (such as, payments in excess of an amount specified in a court order or written agreement) which are paid to a third party rather than to the household;

5) Public Assistance or General Assistance payments to a third party in behalf of a household for medical, child care, or energy assistance (Public Assistance means AFDC and AABD);

6) From October 20, 1987, to September 30, 1989, the entire amount of Public Assistance or General Assistance payments to third parties in behalf of a household for temporary housing, even any portion of the payment which is part of the normal Public Assistance or General Assistance payment, provided the housing lacks facilities for preparation and cooking of hot meals or refrigerated food storage; and

7) Emergency Public Assistance (PA) or General Assistance (GA) payments made directly to a third party (that is, vendor payment) on behalf of a migrant or seasonal farmworker household while the household is in the job stream. This assistance includes, but is not limited to, emergency vendor payments for housing or transportation.

c) Cash donations based on need received on or after February 1, 1988, from one or more private nonprofit charitable organizations, but not to exceed $300 in a federal fiscal year quarter;

d) Any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated, not in excess of $50 per quarter;

e) All loans on which repayment is deferred;

f) Reimbursements for past or future expenses, to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household. This does not include reimbursements for normal living expenses;

g) Monies received and used for the care and maintenance of a third-party beneficiary who is not a household member. Foster care payments are considered income to the adult or child in foster care and not income to the household providing the foster care even if the payments are made to the provider household rather than to the adult or child or children in foster care. If the household chooses to include the adults and/or children in foster care as part of the household, the entire foster care payment is considered unearned income to the household;

h) Income of nonhousehold members except ineligible household members who have been sanctioned for fraud or intentional program violation, for failure to comply with work registration requirements due to a voluntary job quit or reduction in work hours, or failure to comply with the FSE&T program, for failure to meet the social security number requirements, because of ineligible alien status, or due to questionable citizenship status (see Section 121.73);

i) Payments to volunteers under the Domestic Volunteer Service Act (42 USC 4951-4993) (VISTA) are exempt only if the individual:

1) was receiving food stamps or public assistance at the time he or she joined VISTA; and/or

2) was receiving an exempted VISTA payment, or other subsistance payments under Title I of the Domestic Volunteer Services Act, prior to March 1, 1979, and the volunteer contract in effect March 1, 1979, has not expired;

j) Income received from the disposition of funds to the Grand River Band of Ottawa Indians;

k) Any income specifically excluded by any federal statute from income consideration for food stamp purposes;

l) Unearned income such as need based payments, cash assistance, compensation in lieu of wages and allowances through the Job Training Partnership Act (29 USC 1501-1781);

m) Payments made by the Illinois Department of Mental Health and Developmental Disabilities under the Family Assistance Program for Mentally Disabled Children under P.A. 86-921;

n) Income received from the Social Security Administration under the PASS Program;

o) Payments made under the federal Crime Act of 1984 (as amended by P.L. 104-132, Section 234, Crime Victims Fund);

p) All educational loans, grants, scholarships, fellowships, veteran's educational benefits, and all federal and State work study programs; and

q) Any additional payment received under Chapter 5 of Title 37, United States Code, by a member of the United States Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone.

r) For a period of no more than 60 months, any financial assistance, including wages, cash transfers or gifts, that is provided to a person who is enrolled in a program or research project that is not funded with general revenue funds that is intended to investigate impacts of policies or programs designed to reduce poverty, promote social mobility, or increase financial stability for Illinois residents, if there is an explicit plan to collect data and evaluate the program or initiative that is developed prior to participants in the study being enrolled in the program and if a research team has been identified to oversee the evaluation.

(Source: Amended at 45 Ill. Reg. 9014, effective June 30, 2021)