

Opportunity Scholarship Program 2024-25 School Year

How to Calculate your Income

This document is provided to help you determine your household size and household income for the purposes of the Opportunity Scholarship application.

State law requires that household size and income for the Opportunity Scholarship be calculated in accordance with the Federal Free and Reduced-Price Lunch regulations. Beginning with the 2024-25 school year, all students who live in North Carolina may be eligible for an Opportunity Scholarship award regardless of income. However, household income dictates the amount of the Opportunity Scholarship your student would be eligible to receive if awarded.

You are not required to complete this worksheet; however, you may be asked to provide documentation to the State Education Assistance Authority (SEAA) in order for SEAA to verify the household size and income that you report on your Opportunity Scholarship application. Keep this worksheet for your reference. Do not submit it to SEAA unless asked to do so.

- 1) **Determining Household Size.** Determine who is in your household. A person is a member of the “household” for purposes of calculating your income for the Opportunity Scholarship if the person lives with you, regardless of whether they are related to you or not, and shares income and expenses of the household. You must include yourself and all children who live with you. If you live with people who are economically independent (for example, people who do not support your family and who do not share income with you or your children) do not include them. *For special situations to consider when determining household size, please see Attachment A to this document.*
- 2) **What if the student for whom I am applying is in Foster care?** If the student for whom you are applying is formally placed in foster care by a court or the North Carolina Division of Social Services, he or she will automatically satisfy the income requirements to participate in the Opportunity Scholarship and will receive the Award Tier 1 scholarship amount (the highest scholarship amount available). In order to satisfy the income requirements, the State must retain legal custody of the child. This does not include informal arrangements or permanent guardianship placements that may exist. A student’s foster care status will be verified by SEAA with the North Carolina Department of Health and Human Services, Division of Social Services, in order to confirm eligibility for the scholarship.
- 3) **What must be included as Income on your Opportunity Scholarship application?** Income is any taxable or untaxable money received, including all money earned before deductions. You must report your annual household income from January through December 2023.

A. Income must be reported for everyone who lives in your household. Income must include:

- Earnings From Work.
 - i. Gross wages, salaries, tips, commissions, overtime pay, bonuses (“gross” means wages before taxes or other deductions). *The Adjusted Gross Income (AGI) on your tax forms is not the basis for Opportunity Scholarship income eligibility.*
 - ii. Net income from self-owned business and farms.

- Public Assistance.
 - i. Unemployment Benefits
 - ii. Workers Compensation
 - iii. Supplemental Security Income (SSI)
 - iv. Regular cash assistance from State or local governments

- Alimony payments or child support payments received.

- Pensions, retirement income, veterans’ benefits.
 - i. Pensions
 - ii. Retirement Social Security
 - iii. Private pensions or disability benefits
 - iv. Adoption Assistance Payments
 - v. Veteran’s Benefits.

- Certain Military Benefits.
 - i. Basic pay and cash bonuses (combat pay may be excluded)
 - ii. Allowances for *off-base* housing (BAH), food, or clothing (BAS) (See Section B below for military benefits that may be excluded from income)

- Religious and ministry housing stipends.

- Child’s Income. Earnings of a child who is a full-time or regular part-time employee should be included as income.

- Any other income regularly received.
 - i. Recurring income from trusts or estates
 - ii. Annuities
 - iii. Investment income
 - iv. Earned interest
 - v. Net rental income
 - vi. Regular cash payments from outside household
 - vii. Cash withdrawn from savings

- viii. Interest and dividend income
- ix. Housing allowance or living allowance
- x. Cash gifts
- xi. Regular contributions from persons not living in the household
- xi. Any other money that may be available (unless it is permitted to be excluded as income as set forth below).

B. Excludable Income. What is NOT counted as income?

- Benefits under SNAP, WIC, or Food Distribution Program on Indian Reservations (FDPIR)
- Payments received from a foster care agency or court for the care of foster children
- Student financial assistance provided for the costs of attendance at an educational institution, such as grants and scholarships awarded to meet educational expenses and not available to pay for meals (including money received from the Opportunity Scholarship or ESA+ Scholarship in 2023)
- Loans, such as bank loans, since these funds are only temporarily available and must be repaid
- Military pay received as a result of the service member’s deployment to or service in an area that has been designated as a combat zone (i.e. Combat Pay)
- Family Subsistence Supplemental Allowance payments, and privatized housing allowances to service members living in housing covered under the Military Housing Privatization Initiative for military.
- Occasional earning received on an irregular basis (not recurring, such as payment for occasional baby-sitting or mowing lawns)

C. Documentation of Income. The following is a partial list of documents that may help identify your income for 2023:

- | | |
|--|--|
| • Federal Tax Return Transcript (Total Income) | • Child support payment history |
| • W-2 forms | • Social Security benefit documents (SSA-1099) |
| • Federal tax documents | • Bank statements |
| • Form 1099 – MISC | |
| • Unemployment Compensation statements | |
| • Pension or annuity Statements | |
| • Military retirement benefits statement | |
| • Leave & Earnings Statement (military) | |
| • Accounting ledger or receipts | |

D. Enter the total household income at the bottom of this worksheet on your Opportunity Scholarship application.

2023 Household and Income Calculator for the North Carolina Opportunity Scholarship
FOR THE 2024-2025 SCHOOL YEAR

PART 1. ALL HOUSEHOLD MEMBERS					
Names of <u>all</u> household members, including yourself (First, Middle Initial, Last)	Age	Relationship to Parent/Guardian Applicant	Check if NO income		
<i>(Example) Jane Smith</i>	37	<i>Parent Applicant (self)</i>	<input type="checkbox"/>		
1.			<input type="checkbox"/>		
2.			<input type="checkbox"/>		
3.			<input type="checkbox"/>		
4.			<input type="checkbox"/>		
5.			<input type="checkbox"/>		
6.			<input type="checkbox"/>		
7.			<input type="checkbox"/>		
8.			<input type="checkbox"/>		
9.			<input type="checkbox"/>		
PART 2. TOTAL HOUSEHOLD INCOME IN 2023					
NAME (List only household members with income)	ANNUAL INCOME				
	a. Annual earnings from work in 2023 <u>before</u> <u>deductions</u>	b. Welfare, child support, alimony in 2023	c. Pensions, retirement, Social Security, SSI, VA benefits in 2023	d. All Other Income (Include military allowances) in 2023	Total Income (add columns a - d)
<i>(Example) Mary Smith</i>	\$15,000	\$4,000	\$0	\$200	\$19,200
1.					
2.					
3.					
4.					
5.					

6.					
7.					
Total Household Income					
Add total income (rows 1-7)					

Additional Information

The income verification guidelines for determining student eligibility for the Opportunity Scholarship Program are adopted in large part from the Eligibility Manual for School Meals: Determining and Verifying Eligibility, which is published by the Child Nutrition Programs, Food and Nutrition Service, USDA, July 18, 2017.

Parents and guardians should seek guidance from SEAA by emailing OpportunityScholarships@ncseaa.edu if they encounter scenarios that are not covered in the above guidance or in the Income Verification FAQs available [here](#).

Attachment A

Special Situations for Determining Household Size

- a. **Adopted Child.** An adopted child for whom a household has accepted legal responsibility is considered to be a member of the household. If the household receives assistance payments or a subsidy for the adoption, the assistance payments or subsidies are included as income.
- b. **Foster Children and Foreign Exchange Student.** Foster children and foreign exchange students are considered to be members of the household in which they reside for purposes of determining household size.
- c. **Family members living Apart.** Family members living apart on a temporary basis are considered household members. However, family members not living in the household for an extended period of time are not considered members of the household for purposes of determining household size, but any money made available by them or on their behalf for the household is included as income.
- d. **Children of Divorced or Separated Parents.** Children of divorced or separated parents are part of the household that has 50 percent or more custody. When joint custody has been awarded and the child physically changes residence, the child is considered a part of the household where he/she resides for the majority of the year.
- e. **Child Away at School.** A child who is temporarily away at school (college or boarding school) is included as a member of the household.
- f. **Deployed Service Personnel.** Any member of the armed services who is activated or deployed in support of any military combat operation should be counted as a member of the household

Opportunity Scholarship Program

Calculating Your Income: Frequently Asked Questions (FAQ)

For the 2024-25 School Year

This FAQ is designed to accompany the Opportunity Scholarship Program Household [Income Guidelines](#).

Number	Question	Answer
1	To qualify for an Opportunity Scholarship does the household income have to meet certain guidelines?	No. Effective for the 2024-25 school year, a student who lives in North Carolina will qualify for the Opportunity Scholarship. Household income will determine the amount of a student's scholarship. Please see this chart to determine the amount of the scholarship a student may qualify for based on household income.
2	What do the Award Tiers mean?	The Award Tiers determine the scholarship award amount your student may receive based on your household income.
3	What evidence will the Opportunity Scholarship Program ask for in order to verify that a student lives in North Carolina?	If a child is eligible to attend his or her North Carolina local public school, they live in North Carolina for purposes of eligibility for the Opportunity Scholarship. A parent <i>may</i> be asked to produce any of the following documents: a North Carolina State Driver's license or State identification card, State voter registration, verified receipt of public benefits from a State agency, verified filing of State income taxes for the year prior to the application, or one of the following current documents that show a parent and an address within the State: utility bill, a bank statement, a government check, a paycheck, any other government document.
4	When is total household <u>size</u> determined?	The total household size reported on the student's application for an Opportunity Scholarship is the total number of people who reside in the student's primary residence <u>at the time the Opportunity Scholarship application is submitted</u> .
5	How is total household <u>income</u> determined?	Include income for the 2023 calendar year from all household sources before deductions. Do not use the Adjusted Gross Income (AGI) from your tax forms. See the Income Calculator for details.
6	What will happen if the wrong income or household size is entered on a student's application?	Inaccurate reporting on a student's application may result in a reduction or cancellation of the student's Opportunity Scholarship award.
7	Is the Household Income of the foster parent included when determining a foster child's eligibility for an Opportunity Scholarship?	No. Foster children are automatically income eligible (Award Tier 1) for the Opportunity Scholarship Program. The guardian of the foster care child will be asked on the application to provide SEAA with the name of their case manager and the county with which DHHS has placed the child's active case in order to verify foster care status with

		<p>the NC Department of Health and Human Services, Division of Social Services.</p> <p>If the household includes biological or adopted children in addition to foster children, payments received for serving as a foster parent will not be included in the household income calculation for purposes of determining eligibility for the biological or adopted children.</p>
8	Are one-time distributions from IRA, 401k, pension or annuity accounts included in household income?	Yes. Any distributions from an IRA, 401k, pension or annuity account that occurred in 2023 are included in the total household income to be reported on an Opportunity Scholarship application.
9	Is overtime pay included in the total household income?	Yes. All earnings and payment for work, including overtime pay, must be included in the total household income.
10	Can medical or other recurring expenses be deducted from the total household income?	No. For the purposes of the Opportunity Scholarship Program eligibility, medical or other recurring or one-time expenses cannot be deducted from the household income in accordance with the Opportunity Scholarship Program Household Income Guidelines and Income Calculator.
11	May anticipated changes in household income (anticipated loss of overtime, commissions, bonus, etc.) be reflected in the total household income reported on the Opportunity Scholarship application?	No. The event that causes a significant decrease in the amount of current year income must be an event which impacted the tax year prior to the application. The reported household income cannot be adjusted based on the uncertainty of future circumstances. For example, money received in the form of a bonus in 2023 must be reported on the 2024-2025 application even though it is uncertain if the parent/guardian will receive the same bonus in future years.
12	Do I need to report my income before any health premiums or pre-tax retirement contributions are deducted?	Yes, income should include all money earned before deductions including deductions for income taxes, employee Social security taxes, insurance premiums, and pre-tax retirement contributions.
13	If I am self-employed, how do I report my income?	Self-employed persons should report their net income, rather than gross income. Net income for an individual who is self-employed should be calculated by subtracting the individual's operating expenses from gross receipts (total income from goods sold or services provided).
14	If I am self-employed, can I subtract any business loss from my total income?	No. When an individual or household experiences a business loss, income from wages must not be reduced by the amount of the business loss. Include the business income as 0 instead of a negative number.

15	What if I received income from wages <u>and</u> from self-employment?	For a household with income from both wages and self-employment, each amount must be included as part of the household income.
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If you have additional questions regarding reporting your Household income on the Opportunity Scholarship application, please email OpportunityScholarships@ncseaa.edu.