3. The applicant or worker has submitted a request to a federal agency for verification of information which bears on the individual's eligible alien status.

During the period of time the alien's status is under review by the CIS, SSA or another federal agency, the worker cannot delay, deny, reduce, or terminate the individual's eligibility on the basis of the individual's immigration status. Pending the outcome of the review, the alien can be certified under the federally funded program for up to six months. The worker must review the alien's eligibility based on the results of the investigation when received from the federal agency. The alien may be eligible under the federal or state program or may be determined ineligible.

3-001.04 Work Requirements: The work requirement provision is applied statewide. Exemptions from the work requirements and eligibility for meeting the work requirements are covered in the following material. Each household member age 16 through 59 must meet or be exempt from the work participation requirements which are:

1. Work Registration;
2. Employment and Training (E & T);
3. Bona Fide Job Offer; ~~or~~
4. Voluntary Quit~~.~~;or
5. Employment First (EF) work requirements. Enrollment in EF mandates compliance with EF work requirements.

In addition to the work participation requirements ~~previously~~ listed above, an Able-Bodied Adult Without Dependents (ABAWD) age 18 through 45 must also meet or be exempt from the ABAWD work requirements.

{Effective }

3-001.04A Work Requirement Exemptions: The following household members are exempt from meeting any work requirements:

1. A person age 15 or younger. If a household member's sixteenth birthday falls within a certification period, that member will register for work as part of the next scheduled recertification unless otherwise exempt;
2. A person age 16 or 17 who is not the head of household, or who is attending school, or enrolled in an employment and training program on at least a half-time basis;
3. High school students of any age who are attending classes at least half-time;
4. A student enrolled at least half time in any recognized school, training program, or post-secondary education when the individual is an exempt student. The worker must not consider the following persons as students:
   a. Persons enrolled less than half time;
   b. Persons who experience a break in their enrollment due to graduation, expulsion, suspension; or
   c. Persons who drop out or do not intend to return to school.

   The above individuals must comply with the work requirements unless exempt for a different reason.
5. A person age 60 or older. If a person who is age 59 will turn 60 during the application month, the worker considers the person exempt;

6. A person who is physically or mentally unfit for employment. Verification may be required if a disability is claimed but is not evident to the worker. If a disability is evident, the worker documents this in the case record. The individual is considered disabled if s/he receives one of the following:
   a. Retirement, Survivors and Disability Insurance (RSDI) or Supplemental Security Income (SSI) based on disability;
   b. A statement from the Veteran's Administration indicating inability to work;
   c. Medical Assistance based on disability;
   d. A statement from the individual's physician or licensed certified psychologist indicating inability to work; or
   e. Temporary or permanent disability benefits from other government or private sources.
7. An employed or self-employed person if that person is working at least 30 hours per week or is receiving weekly earnings equal to or greater than the federal minimum wage or training wage multiplied by 30 hours. This includes migrant and seasonal farmworkers who are under contract or similar agreement with an employer or crew chief to begin employment within 30 days. These individuals may still seek additional services from Workforce Development;

~~8. A person who is enrolled in ADC Employment First;~~

9. 8. A parent or other household member responsible for the care of a dependent child age five or younger or an incapacitated person. If the child's sixth birthday falls within a certification period, the member responsible for that child's care must register for work as part of the next scheduled recertification unless otherwise exempt;

~~10.~~ 9. A person who receives unemployment compensation (UC). A person who has applied for but has not yet received unemployment compensation is also exempt if that person was required to register for work with the Job Service Workforce Development as part of the unemployment compensation application. This is verified through wage match procedures;

~~11~~. 10. A chemically dependent person if s/he is participating in a chemical dependency treatment and rehabilitation program;

~~12~~. 11. A person age 50 or older who is enrolled at least half-time in any recognized school, training program, or post secondary education.

{Effective}

3-001.04A1 Change in Exemption Status: Household member(s) who lose their exempt status due to a change in circumstances that is required to be reported are screened for the work requirements at the time of report. Household member(s) who lose their exemption due to a change in circumstances that is not required to be reported are screened for the work requirements at the household's next recertification.

3-001.04A2 ~~Employment First or~~ Unemployment Compensation (~~UC~~) Noncompliance: Household members who fail to comply with the ~~ADC, Employment First, or~~ unemployment compensation requirements lose their food stamp program work requirement exemption. Unless these individuals are otherwise exempt, ~~the worker will require them~~ they are required to comply with the food stamp program work requirements as appropriate.

{Effective}

3-001.04A3 Employment First Noncompliance

1. Household members who fail to comply with Employment First work requirements and who are otherwise exempt from food stamp program work requirements are not disqualified for a food stamp work requirement. They are subject to the Failure to Comply with Another Program Requirement penalty for noncompliance with Employment First;
2. Household members who fail to comply with Employment First work requirements and who are not otherwise exempt from food stamp program work requirements are disqualified for noncompliance with a food stamp program work requirement. The disqualification follows food stamp penalties. Determine if the household member:
   a. Is an “Applicant” or “Certified”;
   b. Whether the household member is “Head of Household” or “Individual”; and
   c. Whether it is the household member’s first, second, or third or subsequent food stamp work requirement disqualification.

Apply the appropriate food stamp work requirement disqualification. In addition, they are subject to the Failure to Comply with Another Program Requirement penalty for noncompliance with Employment First.

{Effective}

3-001.04B Work Registration: Household members who are not exempt from work registration are considered registered when an adult household member or an authorized representative signs the completed application form. The worker must explain the requirements of work registration as part of the application process, preferably during the interview.

To be eligible for food stamp benefits, all non-exempt household members must be work registered and be screened for the Employment and Training (E & T) Program. Household members who are not exempt must be work registered at the time of application and re-registered every 12 months as long as they are not exempt.

3-001.04C Employment and Training (E & T): The worker must explain the requirements of the E & T ~~p~~Program, if appropriate, and the applicant's rights and responsibilities. All non-exempt household members must be referred to the E & T ~~p~~Program and participate in the program.

The E & T Program may involve job search training, individual job search, or Workfare for ~~ABAWD's~~ ABAWDs.

3-001.04C1 Employment & Training Compliance: Any household member required to participate in the E & T Program must comply with all the requirements of the component ~~they are~~ s/he is assigned to including any of the following:

1. Attending a job training workshop;
2. Making a specified number of contacts with potential employers;
3. Following up on job leads; and
4. Accepting suitable employment if offered.

The worker must explain the requirements of the assigned component to any household member required to participate in the E & T ~~p~~Program. In addition, mandatory E & T participants must be informed that they may be exempted from participation if their monthly expenses that are reasonably necessary and directly related to participation in the E & T Program exceed the allowable reimbursement amount.

If the household member does not comply, the worker must send the household a timely notice which includes a statement outlining the disqualification. The timely notice must include a disqualification statement that informs the household of the:

1. Individual who is being disqualified;
2. Reason for the disqualification;
3. Minimum length of the disqualification; and
4. Action the individual can take to end the E & T disqualification, if applicable.

The Employment and Training (E & T) disqualification remains in effect until the individual has:

1. Served the minimum disqualification period;
2. Complied with E & T requirement that caused disqualification, if longer than minimum disqualification period; or
3. Become exempt from the regular work requirements

{Effective 1/3/2005}

3-001.04C2 Employment and Training Reimbursement: Any household member participating in an E & T Program qualifies for a reimbursement for actual costs that are reasonably necessary and directly related to participation for each month of participation.

3-001.04C2a Employment and Training Exemptions: Individuals may be exempted from E & T requirements based on such factors as geographical distance from the local office, the availability of child care, health factors and other considerations as approved by FNS in the approval of Nebraska's E & T plan.

3-001.04D Refusal to Accept a Bona Fide Job Offer or Voluntary Quit: If an individual refuses to accept a bona fide job offer or voluntarily quits employment within 60 days before a food stamp application is filed, anytime after the application is filed or after the household is certified, the worker must make a determination of whether or not the refusal to accept suitable employment or termination of employment met the criteria of the requirement and was without good cause. The household cannot claim good cause for refusing a bona fide job offer due to not meeting the drug test requirement. The following conditions do not constitute a refusal to accept a bona fide offer or a voluntary quit:

1. Employment of less than 30 hours per week or 30 hours times the federal minimum wage;
2. Changes in employment status which do not result in reducing hours of employment to less than 30 hours per week for the same employer;
3. Terminating a self-employment enterprise; or
4. Resigning from a job at the employer's demand.

{Effective 1/3/2005}

3-001.04E Non-Compliance with Work Requirements: In any of the following situations an individual is ineligible to participate in the Food Stamp Program when s/he:

1. Refuses without good cause to register for employment;
2. Voluntarily and without good cause quits a job or reduces employment to less than 30 hours per week;
3. Refuses without good cause to accept an offer of bona fide employment; or
4. Refuses without good cause to participate in the E & T program in areas not geographically exempt~~.~~; or
5. Is determined to be noncompliant with Employment First and is not otherwise exempt from food stamp work requirements.

{Effective}

The designation of head of household for households consisting of parents must be made at the time of application and may be changed at the time of review or if the household composition changes. The household cannot designate a disqualified household member as the head of household. The head of household for work requirement compliance must be an eligible household member.

{Effective 1/3/2005}

3-001.04F2 Ineligibility of an Applicant Household: If the individual who has been named the head of household on the application is ineligible to participate due to a work requirement noncompliance, the entire household is ineligible. The household is ineligible to participate for:

1. Thirty days from the application filing date for the first disqualification;
2. Ninety days from the application filing date for the second disqualification; and
3. One hundred eighty days from the application filing date for the third or subsequent disqualification.

If the individual in violation is the head of household, the household is not eligible for food stamp benefits until the disqualification period is served ~~or until compliance, whichever is later.~~ Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period. If the head of household becomes exempt from the work requirements during the disqualification period, the household may reapply for benefits.

{Effective}

3-001.04F3 Ineligibility of a Certified Household: If the individual who is the head of household becomes ineligible to participate in the Food Stamp Program due to a work requirement noncompliance, the household is ineligible to participate for:

1. One calendar month for the first disqualification;
2. Three calendar months for the second disqualification; and
3. Six calendar months for the third and subsequent disqualification.

If the individual in violation is the head of household, the household is not eligible for food stamp benefits until the disqualification period is served ~~or until compliance, whichever is later.~~ Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period. If the head of household becomes exempt from the work requirements during the disqualification period, the household may reapply for benefits.

{Effective }

3-001.04G Other Household Member

3-001.04G1 Ineligibility of an Applicant Household Member: If any household member, other than the head of household, becomes ineligible to participate due to work requirements, the household member is ineligible to participate for:

1. Thirty days from the application filing date for the first disqualification;
2. Ninety days from the application filing date for the second disqualification; and
3. One hundred eighty days from the application filing date for the third or subsequent disqualification.

If the individual in violation is another member of the household, the individual is not eligible for food stamp benefits until the disqualification period is served ~~or until in compliance, whichever is later.~~ Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period.

{Effective}

3-001.04G2 Ineligibility of a Certified Household Member: If the individual in violation is not the head of household, the individual household member becomes ineligible to participate in the food stamp program due to a work requirement noncompliance. The individual is ineligible to participate in any household for:

1. One calendar month for the first violation;
2. Three calendar months for the second violation; and
3. Six calendar months for the third and subsequent violation.

If the individual in violation is another member of the household, the individual is not eligible for food stamp benefits until the disqualification period is served ~~or until in compliance, whichever is later.~~ Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period.

The disqualification for the noncompliance violation is imposed in the month following the expiration of the adverse action. The individual in violation must not be included in the household's allotment until the month following the last month of the disqualification period or compliance, whichever is later.

{Effective}

3-001.04H Worker Action: Within ten days of noncompliance or notification of noncompliance, the worker must:

1. Provide the household with a timely notice which describes:
   a. The specific reason or action of noncompliance;
   b. The penalty imposed for the noncompliance, including the period of disqualification; and
   c. That the household may apply at the end of the disqualification period or the household member would be added back to the unit at the end of the disqualification period.
2. Begin the disqualification period with the first month after the expiration of the timely notice period, unless a fair hearing is requested. If a fair hearing is held and the worker action is upheld, the disqualification period begins the month after the decision is made.

{Effective 1/3/2005}

3-001.04H1 Fair Hearings: Each household has a right to a fair hearing to appeal a denial, reduction or termination of food stamp benefits because of a determination of non-exempt status or a determination of failure to comply with work participation requirements. Actions that may be appealed include:

1. Exemption status;
2. Type of requirement imposed; or
3. The worker's refusal to grant good cause.

A household is allowed to examine the documents in his/her case file at a reasonable time before the fair hearing except that confidential information such as test results may be withheld. Information not released to the household may not be used by either party at the hearing.

{Effective 11/19/97}

3-001.04H2 Ending the Disqualification: A household's disqualification must be ended if the head of household:

1. Becomes exempt from work requirements; or
2. Leaves the household.

If the disqualified individual is not the head of household, the disqualification period must be ended if the individual becomes exempt from work requirements.

If the disqualified individual leaves the household and joins a different food stamp household, the disqualification period in the new food stamp household continues until served. If the individual becomes the head of household in the new household and is not exempt from work requirements, the entire household is ineligible for the remainder of the disqualification period ~~or until compliance, whichever is later~~. Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period. If the individual is not the head of household in the new household and not exempt from work requirements, the individual is ineligible for the remainder of the disqualification period ~~or until compliance, whichever is later.~~E & T noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period.

{Effective}

3-001.04H3 Reapplying after Disqualification: The household may apply in the last month of the disqualification period. If the disqualification is for Employment & Training (E & T), the household may apply before or after cooperating with the requirement that caused the disqualification~~, whichever is later~~. If the disqualification is for E & T, the disqualification is not ended until the individual complies with E & T. Eligibility can be reestablished no earlier than the date after the disqualification ends, if the household does not reapply, no further action is required of the worker.

If the household files an application before the end of the current disqualification period, the worker must use this application to:

1. Deny benefits for the remaining month(s) of disqualification period; and
2. Certify the household for subsequent months if all other eligibility standards are met.

{Effective}

3-001.04H4 Occurrence or Discovery in the Last Month of Certification

3-001.04H4a Household Reapplies: If a failure or refusal to comply with a work participation requirement occurs or is discovered in the last month of the certification period, the worker ~~shall~~ must determine the disqualification at recertification.

If the household member who fails or refuses to comply with the work requirement is the head of household, the household is disqualified for an appropriate period starting with the day after the certification period expires.

The length of the disqualification is determined by whether it is the first, second, third or subsequent violation.

{Effective 9/4/2002}

3-001.04H4b No Reapplication: If a failure or refusal to comply with a work requirement occurs or is discovered in the last month of the certification period and the household does not reapply, the worker reviews when the violation occurred at the household's next certification. If the household reapplies during the disqualification period for the prior failure to comply violation, the remainder of the disqualification period must be applied. The disqualification period would begin the day after the certification period expires, which is:

1. One month for the first violation. ~~or until compliance, whichever is later~~ Employment & Training (E & T) noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period;
2. Three months for the second violation ~~or until compliance, whichever is later~~. E & T noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period; or
3. Six months for the third and subsequent violation(s). ~~or until compliance, whichever is later~~ E & T noncompliance remains in effect until the individual has complied with the E & T requirement that caused the disqualification, if longer than the minimum disqualification period.

If the individual in violation is the head of household, the household is not eligible for benefits until the disqualification period is served. If the household is another household member, s/he must not be added to the household until the month following the month the disqualification period has been served.

When there has been a break in service due to no application after the minimum length of disqualification period is served, the disqualification period for ~~Employment & Training (~~E & T~~)~~ noncompliance continues until the individual complies with the E & T requirement or becomes exempt from participation in the work requirements.

Information about E & T requirements is located at 475 NAC 3-001.041, "Employment and Training Compliance."

3-001.04J Able-Bodied Adult Without Dependents (ABAWD) Work Requirement

3-001.04J1 Work Requirement for Able-Bodied Adults: Individuals ages 18 through 45 are ineligible to receive food stamp benefits after three full months unless they meet one of the following criteria:

1. Work 20 or more hours per week (including in-kind or volunteer work) averaged over a four-week period;
2. Participate in and comply with a Workforce Investment Act (WIA) program or Trade Adjustment Assistance Act program for 20 or more hours per week; or
3. Participate and comply with the Workfare Program (under Section 20 of the Food Stamp Act) or a comparable state or local program.

Months of prorated benefits do not count in the three months.

{Effective 6/9/2003}

3-001.04J1a ABAWD Work Requirement Exemptions: Individuals are exempt if they meet one of the following:

1. Physically or mentally unfit for employment;
2. Residing in a household where a household member is age 17 or younger, even if the household member who is age 17 or younger is not participating in the FS program;
3. Pregnant;
4. Exempt from work requirements;
5. Special state waivers in areas with insufficient jobs to provide employment for the individuals; or
6. Special hardship exemptions.

{Effective 1/3/2005}

3-001.04J2 Regaining Eligibility: Individuals denied eligibility under the ABAWD work requirement can regain eligibility if during any consecutive 30-day period the individual:

1. Works 80 hours or more;
2. Anticipates working 80 hours or more;
3. Participates in and complies with an approved work program for 80 or more hours; or
4. Participates in and complies with the Workfare program.

If an individual subsequently loses this employment or ceases participation in work or a workfare program, participation in the Food Stamp Program can continue for up to three consecutive months. After the initial three months and additional three months (six months total) during the 36-month period, the individual must comply with the ABAWD work requirement or become exempt from the work requirement to meet ABAWD eligibility.

{Effective 9/4/2002}

3-001.05 (Reserved)

3-001.06 Student Status: A household member who is enrolled at least half time in an institution of higher education must meet one of the student eligibility exemptions to be eligible to participate. The program definition of a student is an individual enrolled at least half time in a regular curriculum at:

1. A college or university that offers degree programs, regardless of whether a high school diploma is required; or
2. A business, technical, trade, or vocational school that normally requires a high school diploma or equivalency certification for enrollment.

Note: An individual who is enrolled in a special program, such as courses for English Language Learners (ELL) or courses which are not part of the regular curriculum, is not considered enrolled in an institution of higher education.

{Effective 7/29/96}

3-001.06A Student Exemptions: A student by program definition who meets one of the following requirements is eligible to participate if s/he is:

1. Age 17 or younger;
2. Age 50 or older;
3. Physically or mentally unfit;
4. Included in an ADC grant unit;
5. Enrolled in the Employment First Program;
6. Working ~~a minimum~~ an average of 20 hours or more per week for pay or 80 hours or more per month for pay or, if self-employed, working ~~a minimum~~ an average of 20 hours or more per week or 80 hours or more per month and receiving weekly or monthly earnings at least equal to the federal minimum wage multiplied by 20 hours per week or 80 hours per month;
7. Participating in a state or federally financed work study program during the regular school year;
   Note: The following restrictions apply to work study:
   a. The student must be approved for work study at the time of application for food stamp benefits;
   b. The work study must be approved for the school term and the student must anticipate actually working during that time;
   c. The work study exemption begins the month the school term begins or the month the work study is approved, whichever is later; and
   d. The work study exemption does not continue between terms when there is a break of a full month or more, unless the student is participating in work study during the break.
8. Participating in an on-the-job training program;
   Note: An individual is considered participating only during the time the person is being trained by the employer. During the period of time the person is only attending classes, this exemption would not apply.
9. Responsible for the care of a dependent household member who is age five or younger;
10. Responsible for the care of a dependent household member who is age 11 or younger when the worker has determined that adequate child care is not available to enable the student to attend class and comply with the work requirements of student eligibility;
11. A single parent enrolled full time in an institution of higher education and responsible for the care of a dependent child age 11 or younger;
    Note: This provision applies when only one ~~natural~~ biological, adoptive, or stepparent (regardless of marital status) is in the same food stamp household as the child. This provision may apply to another full-time student in the same food stamp household as the child when:
    a. No biological, adoptive, or stepparent is in the same food stamp household; and
    b. The student has parental control over the child and is not living with his or her spouse.

12. Assigned to or placed in an institution of higher education through or in compliance with the requirements of one of the following programs:
    a. Workforce Investment Act (WIA);
    b. State's Employment and Training Program;
    c. Section 236 of Trade Act of 1974; or
    d. Employment First program.

{Effective }

3-001.06B (Reserved)

3-001.06C Continued Enrollment: The worker considers enrollment as continued through normal periods of class attendance, vacation, and recess unless the student graduates, drops out, is suspended or expelled, or does not intend to register for the next normal school term (excluding summer school).

3-001.06D Verification of Student Status: The worker verifies student status eligibility by taking the following steps:

1. If the student indicates s/he is employed ~~at least~~ an average of 20 hours or more per week or 80 hours or more per month, the worker verifies the number of hours employed.
2. If the student indicates s/he actively participates in a state or federal work study program during the regular school year, the worker verifies this participation.

3-002.01B Type of Resources: There are two types of resources: liquid and nonliquid.

3-002.01B1 Liquid Resources: Liquid resources include cash on hand; money in checking and savings accounts, savings certificates, stocks or bonds; nonrecurring lump sum payments; funds held in individual retirement accounts (IRA's), in Keogh plans which do not involve the household member in a contractual relationship with individuals who are not household members; and other liquid assets not specifically excluded or exempt.

3-002.01B2 Nonliquid Resources: Nonliquid resources include personal property, licensed and unlicensed vehicles, buildings, land, recreational properties, and any other property, provided none of these are specifically excluded.

3-002.01C Excluded Resources: The following resources are excluded in determining eligibility:

1. The home and surrounding property which is not separated from the home by intervening property owned by others. The worker notes that:
   a. Public rights of way, such as roads which run through the surrounding property and separate it from the home, do not affect the exclusion of the property;
   b. The home and surrounding property must remain excluded when temporarily unoccupied for reasons of employment, training for future employment, illness, or not habitable due to a casualty or natural disaster, if the household intends to return;
   c. Households that currently do not own a home, but own or are purchasing a lot on which they intend to build or are building a permanent home, receive an exclusion for the value of the lot and, if it is partially completed, for the home;
2. Household goods, such as furniture including antiques;
3. Personal effects, including all clothing, jewelry, pets, and personal collections such as coins, stamps, or guns;
4. A burial space per household member, ineligible alien, or disqualified member;
5. Prepaid burial items which include the crypt, mausoleum, urn, casket, marker, vault, charges for opening and closing the grave or other repository for the remains of the deceased person;
6. Bona fide funeral agreements that are accessible to the household up to a total of $1,500 equity per household member;
7. The cash value of life insurance policies;
8. Irrevocable burial agreements (prearranged funeral plans) pursuant to Neb. Rev. Stat., Sections ~~71-1342~~12-1106 and 68-129;
9. The cash value of pension funds, including 401K plans and deferred compensation plans under Sections 401 and 457 of the Internal Revenue Section Code even if they are accessible with a penalty;
10. Licensed vehicles;
11. Leased vehicles during the agreement or contract period. If a household purchases the vehicle at the end of the contract, the value of the vehicle at the time of purchase would be considered;

3-002.01F1 Allowable Transfers: Eligibility is not affected by the transfer of the following:

1. Resources which would not otherwise affect eligibility;
2. Resources which are sold or traded at or near fair market value;
3. Resources which are transferred between members of the same household including aliens or disqualified household members whose resources are being considered available to the household; or
4. Resources which are transferred for reasons other than qualifying for or attempting to qualify for food stamp benefits.

3-002.01F2 Disqualification: Households which are transferred resources deliberately for the purpose of qualifying for or attempting to qualify for food stamp benefits must be disqualified from participation for up to one year from the date the transfer is discovered as follows:

1. The resources are transferred in the three-month period before eligibility determination; or
2. The resources are transferred after the household is determined eligible in order to maintain eligibility. (This would apply to resources acquired after the eligibility determination.)

3-002.01F3 Disqualification Notice: When the local office has established that a household has transferred resources in order to qualify for benefits or to maintain eligibility, the worker must send the household a notice of denial or a timely notice whichever is appropriate. This notice must explain the reason for and the length of the disqualification.

3-002.01F4 Disqualification Period: The disqualification period begins in the application month for applicants. For households participating at the time of the discovery, the disqualification period begins with the first allotment after the timely notice period expires, unless a fair hearing and continued benefits are requested.

The length of the disqualification period is based on the value of the excess resources at the time of the transfer. This amount is determined by:

1. Establishing the value of any non-excluded transferred resources;
2. Adding this amount to the value of other countable resources; and
3. Subtracting the maximum allowable resources from the result of step 2.

The following chart is used to determine the length of the disqualification period.

Amount in Excess of the Resource Limit	Disqualification Period
$ 0 – 249.99	1 month
$ 250 – 999.99	3 months
$1,000 – 2,999.99	6 months
$3,000 – 4,999.99	9 months
$5,000 or more	12 months

3-002.01G Licensed Vehicle as a Resource: The following sections regarding determining the value of licensed vehicles do not apply when the household is categorically eligible. The resources of any individual household member who receives an ADC, SSI, SDP, or AABD payment are excluded.

3-002.01G1 Access to Vehicles: The worker uses the following policy to determine if a vehicle is accessible to all persons whose names appear on the title:

1. "And/or" indicates that the vehicle is available to all parties.
2. "Or" indicates that the vehicle is available to all parties.
3. "And" indicates that the vehicle is available to all parties unless the applicant household can demonstrate that the resource is totally inaccessible.

3-002.01G2 Excluded Licensed Vehicles: Any licensed vehicle is an excluded resource if the vehicle meets one of the following conditions:

1. The vehicle is used for income-producing purposes such as taxi; truck; vehicle used for deliveries, to call on clients or customers, or required by the terms of employment.
2. The vehicle is annually producing income consistent with its fair market value, even if it is used only seasonally.
3. The vehicle is necessary for long distance travel that is essential to the employment of a household member (or household member[s] whose resources are being considered as available to the household), such as a vehicle belonging to a traveling salesperson or a migrant farm worker following the workstream. This exemption does not include vehicles used for daily commuting.
   Note: Exclusions 1 through 3 continue to apply when the vehicle is not in use because of temporary unemployment, e.g., when a taxi driver is ill and cannot work.
4. The vehicle is used as the household's home.
5. The vehicle is needed to transport a physically disabled household member (or household member[s] whose resources are being considered as available to the household) for any reason. The vehicle does not have to be specially equipped for this purpose. This exclusion is limited to one vehicle for each physically disabled household member.
6. The vehicle is necessary to carry the primary source of fuel for heating or water for home use.
7. The vehicle has been used in self-employed farming by a household member for a period of one year after the household member ceases to be self-employed in farming.
8. The sale of the vehicle and all related sale costs would return to the household $1500 or less.

9. After vehicle exclusions numbers 1 through 8 have been processed for each household vehicle, one licensed or unlicensed vehicle per household may be excluded using the following policy.
   If the vehicle has a fair market value of:
   a. $12,000 or less, the total value of the vehicle is excluded; or
   b. More than $12,000, the amount over $12,000 is counted toward the household's resource limit.
   The vehicle with the greatest fair market value is processed through the $12,000 rule. The $12,000 rule is limited to one vehicle per household.

The worker must accept the statement of the household regarding vehicles qualifying for an exclusion unless questionable.

{Effective 1/3/2005}

3-002.01G3 Determining ~~Fair Market Value~~ the Value of Non-Excluded Licensed Vehicles: Each vehicle which cannot be excluded must be assigned a fair market value. The fair market value of a vehicle is the average trade-in value as determined by Kelley Blue book. The basic value of a vehicle must not be increased by adding value for low mileage, optional equipment, or special equipment for people with disabilities, etc. For vehicles which are in less than average condition (as indicated by the household), the household must be given the opportunity to get verification of the true value from a reliable source.

For vehicles not listed in the Kelley Blue Book, the worker must accept the household's estimate of the fair market value unless:

1. The worker has reason to believe the estimate is incorrect; and
2. The estimate will affect the household's eligibility.

In these cases, the household must obtain an appraisal or produce other evidence of the vehicle's value, such as a tax assessment or newspaper advertisement listing the price of similar vehicles.

For licensed antique, custom-made, or classic vehicles, the worker asks the household to provide verification of the value if the worker is unable to make an accurate appraisal.

Either the equity value of the vehicle or the fair market value of the vehicle minus $4,650 is counted against the household's resource limit. The equity value is the fair market value of the vehicle minus encumbrances.

{Effective}

3-002.01G4 ~~Exempt~~ Licensed Vehicles Valued at Fair Market Value Minus $4,650: The following vehicles are evaluated only for their fair market value minus $4,650:

1. One licensed vehicle per household member age 18 or older (or household member[s] whose resources are being considered available to the household), regardless of use of the vehicle; and
2. Any other vehicle a household member age 17 or younger drives (or a household member[s] age 17 or younger whose resources are being considered as available to the household);
   a. To and from employment;
   b. To and from training or education which is preparing a household member for employment; or
   c. To seek employment in compliance with job search criteria.

Note: ~~The fair market test for n~~ Number 2 continues to be applied during periods such as summer vacation or temporary unemployment.

{Effective}

3-002.01G4a ~~Other Non-Excluded~~ Remaining Licensed Vehicles: If a household has any other licensed vehicles, they must be evaluated for both equity and fair market value minus $4,650. ~~For vehicles evaluated separately for both fair market value and equity value, t~~ The greater of these two amounts ~~will be~~ is applied toward the household's countable resources.

{Effective}

3-002.01H Unlicensed Vehicles as a Resource

3-002.01H1 Excluded Unlicensed Vehicles: An unlicensed vehicle is excluded if:

1. Used as the household's home;
2. Annually produces income consistent with its fair market value;
3. Essential to a household member's employment such as farm equipment; ~~or~~
4. On an Indian reservation which does not require vehicles driven by tribal members to be licensed; or
5. One licensed or unlicensed vehicle per household may be excluded using the following policy. This exclusion is limited to only one vehicle per household. If the vehicle has a fair market value of:
   a. $12,000 or less, the total value of the vehicle is excluded; or
   b. More than $12,000, the amount over $12,000 is counted toward the household's resource limit.

The vehicle with the greatest fair market value is processed through the $12,000 rule. The $12,000 rule is limited to one vehicle per household.

{Effective 1/3/2005}

3-002.01H2 Non-Excluded Unlicensed Vehicles: The equity value of non-excluded unlicensed vehicles is applied to the household's resource limit. The equity value is the fair market value of the vehicle minus encumbrances.

{Effective}

3-002.01J Verification of Resources: The worker must verify the value of non-excluded resources and loans at the time of application and recertification. For categorically eligible households, the worker is not required to verify the value of resources independent of verification for SSI, AABD, SDP, and/or ADC. The worker does not verify resources on an ongoing basis during the certification period unless:

1. The worker receives information which makes the information given by the household at application appear questionable;
2. The CR or SR household reports the receipt of a resource which may put the household over the resource limit; or
3. The CR or SR household loses its categorical eligibility.

3-002.01J1 Verification of Loans: Loans are considered a resource in the month received. To verify that money coming to the household is a loan (and is therefore considered a resource rather than income), the worker:

1. Accepts as loan verification a simple statement signed by the household member receiving the loan AND the party providing the loan indicating that the payment is a loan and must be repaid; and
2. Requires a statement from the provider indicating that payments are being made or will be made in accordance with an established schedule when a household claims that payments from the same source received on a recurrent or regular basis are loans.

3-002.02 Types of Income: Household income is all income, regardless of source, that is not specifically excluded. There are two types of income: earned and unearned.

3-002.02A Earned Income: Earned income includes all the following:

4-004.01B4a Action on Reported Changes in Household Composition: Household composition changes which are reported are only acted on to prevent duplicate participation or when the household requests to be recertified. When a household member leaves the TBR household, the food stamp allotment remains frozen, unless the individual leaving the TBR household applies for food stamp benefits on his/her own behalf or requests to be added to another food stamp household. In these cases, the individual(s) leaving the household must be removed from the TBR household to prevent duplicate participation. The household remains in TBR unless the household requests to be recertified.

When an individual joins a TBR household, no changes are made unless the household requests that the new individual be added to the food stamp household. If this occurs, the household is notified that their food stamp case will be closed giving the household notice of adverse action and that an application will need to be filed to receive future benefits.

{Effective 1/3/2005}

4-004.01B4b Action on Other Reported Changes: Other changes, including verified Interfaces, which are reported or are known to the agency, are not acted on until the Transitional Benefit Reporting period ends. The information/verification must be placed in the case file to be used at recertification. Households may request removal from Transitional Benefit Reporting. The household must file an application for recertification.

4-004.01B4c Action When Transitional Benefit Reporting Ends: Households which have been in the Transitional Benefit Reporting category for five months must be assigned to either Six-Month Reporting or Change reporting at the next recertification or application.

{Effective 6/9/2003}

4-004.01B4d Action When Household Received Overissuance of Food Stamp Benefits: If a household failed to report a change required to be reported and received food stamp benefits to which it was not entitled, a claim must be filed against the household. Overpayments that occur at application and/or at reapplication due to the household's failure to report are calculated using the same guidelines used for change reporting households.

{Effective 6/9/2003}

4-004.01B4e Action When Household Received Underissuance of Food Stamp Benefits: If a household received less food stamp benefits than they were entitled to due to a local office error, the benefits must be restored to the household.

{Effective 6/9/2003}

4-004.01B5 Transitional Benefit Reporting for Households That Move to Nebraska: A household that received ADC (TANF) cash assistance in another state before moving to Nebraska and/or a household that moved to Nebraska during TBR eligibility in another state may be eligible for TBR. The household must meet Nebraska's TBR eligibility requirements.

Procedures for determining TBR for households that received ADC (TANF) cash assistance in another state before moving to Nebraska or a household that moved to Nebraska during TBR eligibility in another state are located at 475-000-305.

4-004.01C Households Assigned to Change Reporting: The following households must be assigned to the Change Reporting category. Households who are not assigned to either the Six-Month Reporting category or the Transitional Benefit Reporting category and: