



PRIVATE SCHOOL CHOICE PROGRAMS INFORMATIONAL BULLETIN

Bulletin 04-02

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Income Verification

This bulletin applies to the Private School Choice Programs (Choice or Choice Program) which includes the Milwaukee Parental Choice Program (MPCP), Racine Parental Choice Program (RPCP), and Wisconsin Parental Choice Program (WPCP). The information in this bulletin is based on Wis. Stats. §§118.60 and 119.23 and Wis. Admin. Code PI 35 and PI 48.

Please see the Residency Documentation Bulletin for information about the residency requirements and the Application Verification and Corrections FAQ for information on correcting Online Application System (OAS) application data. These documents are available at [Choice Programs: School Application Processing](#). *Training 8: Student Applications & Eligibility* on the [On Demand Training webpage](#) also provides information on how to complete the application eligibility determination, including print screens of the OAS screens.

In addition to the resources available for schools, the DPI has a [Frequently Asked Questions for Parents webpage](#) that includes answers to common questions, including income related questions.

Schools are required to keep all income and residency documentation. It is recommended that schools use the Student Application checklist available at [Choice Programs: School Application Processing](#) to ensure that each student file includes all required documentation.

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Students that Require Income Eligibility Determinations

The income eligibility determination is required for all students applying to the Choice program except for the following:

- a) Students who participated in any Choice program in the previous school year. Participated in the Choice program in the previous school year means the student was counted as a Choice student by private school(s) participating in the Choice program on at least one of the two prior year count dates, the 3rd Friday in September or the 2nd Friday in January and was not subsequently determined ineligible.
- b) Students who had an eligible application and were on the waiting list in the prior school year for the same Choice program they are applying to. The student must have been on the waiting list after the 2nd Friday in January in the prior year. If the student was offered a Choice seat, they are not considered on the waiting list.
- c) Students applying to the MPCP between October and January if the student was a MPCP student on the 3rd Friday in September in the same school year.

Students who meet one of the above criteria are identified as continuing students on the OAS App Summary screen with a “Y” in the “Cont” column. Students who do not meet one of the above criteria are identified as new students on the OAS App Summary screen with a “N” in the “Cont” column. The Online Parent Application (also referred to as the “application” within this document) will determine whether a student meets the above criteria and require that the parent complete the income eligibility determination section of the application if one or more of the students on the application are new students. The school does **not** need to confirm that a student identified as a continuing student in OAS is correctly identified.

Parents of new students applying for the Choice program must provide income documentation showing the family income does not exceed the income limits for the new students, even if the family already has students participating in the Choice program. The income eligibility determination of the new students does not affect the eligibility of the currently participating Choice students in the family.

Income Eligibility Requirements Overview

Introduction

For MPCP and RPCP, only pupils with a family income at or below 300% of the poverty level in the prior year may participate in the MPCP and RPCP. For WPCP, only pupils with a family income at or below 220% of the poverty level in the prior year may participate in the WPCP. If the parents are married, their combined income will be reduced by \$7,000 when determining income eligibility for the Choice program.

There are two ways to determine income eligibility: the Department of Revenue (DOR) Income Determination Method or the Department of Public Instruction (DPI) Income Determination Method. The parent indicates which method they would like to use in the Online Parent Application.

Definitions

For purposes of determining Choice income eligibility, parent, family size, and the required income are defined as follows:

- **Parent:** An individual who is either:
 - (a) The pupil's biological parent, legal guardian, parent by adoption or step-parent who resides in the same household as the pupil applicant. A parent on military duty is considered to be residing in the household; or
 - (b) If no individual meets the requirements in par. (a), an individual who has the legal authority to make educational decisions for the pupil.
- **Family Size:** Family size includes parent(s) on the application and their children by birth, marriage, or adoption, who reside in the same household as the student applicant(s).
- **Income included:** Family income includes the federal adjusted gross income of the parents included in the family size. The DPI income determination method is completed using the prior calendar year income (2021). The DOR income determination method is completed using the prior year calendar year income (2021) or the income from two years prior (2020). Note: No adjustments may be made to the income included, even if some of the income is a one-time amount or if the amount of income the parent now receives is less than what they previously received (such as a situation where a parent no longer works).

The following are NOT included in the income calculation:

- Public assistance programs such as Wisconsin Works (W2) cash benefits, FoodShare (Food Stamps), and Caretaker Supplement.
- Child support payments. *Alimony payments are considered taxable and must be included as income unless the divorce occurred after 2018 or the divorce or separation agreement was modified to state that the alimony would not be taxable to the recipient.*
- Supplemental Security Income "SSI." *Social security benefits are included as income in the application whereas SSI is not included in income. Therefore, it is important to determine if SSI or social security benefits were received. A person does not get a 1099 tax form for their SSI. A person does get a SSA-1099 tax form for their Social Security benefits, including Social Security Disability Insurance (SSDI). Information to determine whether a parent received SSI or social security benefits is available at <https://www.ssa.gov/ssi/text-over-ussi.htm>.*
- Amounts received under W2 (Wisconsin Works) by an individual for job access loans, health care coverage, child care subsidies, and transportation assistance. *Amounts received under W2 for trial jobs are considered taxable and must be included as income.*
- Tax credits such as the federal earned income credit, the federal child tax credit, the Wisconsin earned income credit and the Wisconsin homestead credit.
- Economic (stimulus) impact payments (stimulus payments).

Application Verification Deadlines

The Choice administrator or designee must complete the eligibility determination for WPCP applications by the first weekday in May. The school must complete the eligibility determination for MPCP and RPCP applications by the earlier of the following: (a) prior to the next application period, (b) prior to completing a random drawing, if required, (c) within 60 days of the end of the application period during which an application is received by the school, or (d) prior to the next count date. See the “School Verification of Application” section of the Application Process Bulletin, which is available at [Choice Programs: School Application Processing](#) for additional information.

DOR Income Determination Method

Completing the DOR Check

If parents select the DOR method in the Online Parent Application, all parents listed on the application must provide their social security number (SSN) or taxpayer ID number in the Online Parent Application or provide it to the school where they apply. If the number is provided to the school, the school must input the parent’s SSN or taxpayer ID number in OAS. After the SSN or taxpayer ID number is entered into the Online Parent Application or OAS a “Preliminary DOR Check” is completed that will indicate if the DOR has the information available to determine income eligibility for the parents on the application. An indication that this information is available **does not** mean that the application will be determined income eligible.

If the parent(s) do not provide their social security number or taxpayer ID number to the school OR the “preliminary DOR check” indicates the DOR has no records and is unable to verify income based on the information provided, the parent must complete the DPI income determination method portions of the Online Parent Application, submit the Online Parent Application, and provide the required supporting income documentation to the school before the end of the open application period. If the parent does not complete this before the end of the open application period, the application is not eligible.

The DOR income determination must be completed by the dates specified in the [Application Verification Deadlines](#) section. However, the DPI strongly encourages that schools complete the DOR income determination prior to the end of the open application period in case the DOR does not have the records available to complete the income eligibility determination.

Once DOR has determined whether an application is eligible or ineligible, the Online Parent Application will reflect the current income eligibility status for the student. The parent will be able to see the income eligibility determination if they return to the Online Parent Application. The DOR income determination for a student that applied to multiple schools will be reflected for all of the student’s applications in OAS at all of the schools where the student applied.

Explanation of How DOR Determines Eligibility

If the DOR method is selected, the DOR will determine if an application qualifies based on the 2021 income tax return(s) for all parents on the application. If the 2021 income tax return is not available, the DOR will determine eligibility based on the 2020 income tax return.

The DOR income determination method uses the income for all of the individuals on the parents' tax return(s), even if all of the individuals on the tax return are not identified as a parent on the application. As a result, applicants should consider using the DPI income determination method if they filed a joint return and no longer live with the other individual on their return.

Please note that if a parent filed an amended return, the information from the amended return will generally be used to determine whether the family meets the income requirements.

Applications Determined Ineligible by DOR

After an application is found ineligible by the DOR, the parent will not be able to change to the DPI Income Determination Method. If the parent thinks the ineligibility determination is incorrect, the parent should submit the ineligible student application in the Online Parent Application, if not already done, as soon as possible but no later than the end of the open application period. Once the DOR has determined an application is ineligible, the parent will not be able to rerun the DOR income determination in the Online Parent Application. The school must run the DOR income eligibility determination in the OAS if the parent believes the determination is incorrect. If the parent does not submit the application in the Online Parent Application by the end of the open application period, the parent may complete and submit the ineligible student application in a future open application period, if available.

If the parent submitted an application that was determined ineligible by DOR because they believe the determination was incorrect, the school should first rerun the DOR income eligibility determination in the OAS to determine if the DOR now has records that indicate the family meets the income eligibility requirements. For example, if the parent recently filed the 2021 Wisconsin income tax return and the parent is income eligible based on that return, the school should first rerun the DOR income eligibility determination in the OAS Application Verification screen. The school may rerun the DOR income eligibility determination multiple times.

If the DOR still indicates the pupil does not meet the income eligibility requirements after the school has rerun the DOR determination in the OAS, but the parent indicates the determination is not correct, the school should request copies of the following from the parent:

1. The first two pages of the parents' 2020 Federal 1040 tax form(s),
2. The first two pages of the 2021 Federal 1040 tax form(s), if the parents have filed the form(s), and
3. If applicable, the IRS Unemployment Compensation Exclusion worksheet* for the 2020 tax year.

** The unemployment compensation exclusion information ONLY applies to the 2020 tax year per the IRS. In March 2021, the Federal government changed how unemployment compensation is included in the Federal adjusted gross income for the 2020 tax year under certain conditions. This change was made through the American Rescue Plan of 2021. If the parent(s) received unemployment compensation during the 2020 tax year and the unemployment compensation exclusion is required in order for the pupil to be income eligible for the Choice programs, the parent(s) should provide the school a completed IRS Unemployment Compensation Exclusion worksheet available at <https://www.irs.gov/forms-pubs/new-exclusion-of-up-to-10200-of-unemployment-compensation>. On this webpage, scroll down to the section "Unemployment Compensation Exclusion Worksheet - Schedule 1, Line 8". This is the IRS worksheet. The parent may print the webpage and write the information on the printed copy. If the parent has questions regarding how to fill out the IRS worksheet, the parent should contact their tax advisor/preparer or the IRS.*

The school should review the returns to determine whether the family met the income eligibility requirements based on either: (1) the 2020 Federal 1040 tax form and the IRS Unemployment Compensation Exclusion worksheet, if applicable, or (2) the 2021 Federal 1040 tax form, if filed. The income limits are available on the [Student Applications webpage](#). In order to determine the income limit applicable for the family, use the family size listed in the "Parent/Guardian Summary" section at the top of

the OAS Application Verification screen. If the parent indicates they incorrectly entered the family size in the Online Parent Application and the family would be eligible with the correct family size, see the [frequently asked question that explains how to proceed when the family size is incorrect](#). If the parents are married, their combined income should be reduced by \$7,000 when determining income eligibility for the program. The top of the OAS Application Verification screen identifies whether or not the parents indicated they were married in the Online Parent Application.

If it appears that the application should be income eligible based on the 2020 or, if filed, 2021 Federal 1040 tax forms and the family size on the OAS Application Verification screen is correct, the school should send an email to the DPI at privateschoolchoice@dpi.wi.gov with the following:

1. Statement that the school re-ran the income eligibility determination on the student(s) OAS Application Verification Screen on mm/dd/yyyy and the student(s) were still determined ineligible by DOR.
2. Application number(s)
3. Email address used for application
4. An indication if the 2021 Wisconsin tax form has been filed
5. An indication if the 2020 Wisconsin tax form has been filed
6. The Adjusted Gross Income on Line 11 of the 2021 Federal 1040 tax form for all parents on the application or an indication that the 2021 Federal 1040 tax form and 2021 Wisconsin Income tax return (Form 1) have not yet been filed
7. If applicable, line 10 of the IRS Unemployment Compensation Exclusion worksheet. Line 10 on this worksheet represents the amount of unemployment compensation that may be excluded from the 2020 Adjusted Gross Income.
8. The Adjusted Gross Income on Line 11 of the 2020 Federal 1040 tax form for all parents on the application or an indication that the 2020 Federal 1040 tax form and 2020 Wisconsin Income tax return (Form 1) were not filed
9. An indication of whether the 2021 Wisconsin tax form was amended (not applicable if the 2021 tax returns have not been filed)
10. An indication of whether the 2020 Wisconsin tax form was amended (not applicable if the 2020 tax returns were not filed)
11. The family size the school used for the income determination

DPI Income Determination Method

Parent Completion of the Online Parent Application

If the DPI income determination method is used the parent(s) will be required to answer a series of income related questions in the Online Parent Application to determine if the family is income eligible. The DPI income determination method is based on the 2021 income. Parent(s) do not have the option to use their 2020 income to determine if they are income eligible when using the DPI income determination method.

The Online Parent Application will first ask the parent if they have filed their 2021 Federal 1040 tax form. If so, the Online Parent Application will require the adjusted gross income on the return. If a Federal 1040 tax form was not completed, the parent must indicate what income or government assistance the parent(s) on the application received in 2021. This includes indicating if the parent(s) on the application had: 1) wages included on a 2021 W2 tax form or a final, December 2021 earning statement, 2) any 2021 1099 tax forms, 3) any cash income and/or 4) any government assistance. If a

parent had 2021 cash income, they will be required to provide the following in the Online Parent Application: 1) the name of the parent that had cash income and the amount; 2) an indication that no written documentation can be provided for the amount received and verification that the amount has not been and will not be included on an income tax form; and 3) the source of the income (name of employer or if self-employed, the self-employed activity). If the parent did not complete a Federal 1040 tax form or identify any income on the application, the parent must also explain how basic needs (food, clothing, and shelter) were met.

OAS Application Verification for Applications with Income

If income is identified on the application, the school must complete the OAS Application Verification as follows.

- 1) **Income Documentation:** The parent must provide the following supporting documentation to the school during the open application period that the application is received:
 - a. *Parent Filed a 2021 Federal 1040 Tax Form:* If the parent filed a 2021 Federal 1040 tax form, a signed and dated Federal 1040 tax form must be provided to the school supporting the amount. The return provided to the school must include the first two pages of the return. If the return is a joint tax return, both taxpayers should sign and date the form. However, the application is still eligible even if the tax return is not signed by one or both taxpayers. The Wisconsin tax return, e-file signature authorization form, or other schedules from the Federal 1040 tax form are NOT acceptable income documentation.
 - b. *Parent Did Not File a 2021 Federal 1040 Tax Form:* If the parent did not file a 2021 Federal 1040 tax form but identified other sources of income, the school must obtain the following documents if listed on the OAS Application Verification screen: 2021 W2 tax form, final December 2021 earning statement, and any 2021 1099s. If the OAS Application Verification screen states, "A copy of [parent name] 2021 documents that support the 'Other Income' total reported of ...", the school must obtain documentation supporting the amount identified. No supporting income documentation is required if the OAS Application Verification screen indicates "Cash income only reported by family. No documentation required."
- 2) **Amounts Match:** The school must ensure that the amount of income on the OAS Application Verification screen matches the income documentation. If the amount does not match the income documentation and it is before the end of the open application period in which the application was received, ask that the parent log back into the Online Parent Application and correct the amount(s). If it is after the open application period in which the application was received, determine if the application is income eligible with the correct amount of income. The income limits are available in the Income Limits document [on the Student Application webpage](#). If the parents are married, their combined income should be reduced by \$7,000 when determining income eligibility for the program. If the application is eligible with the correct amount, the school may accept the supporting documentation (no correction to OAS is required). If not, the application must be determined ineligible.
- 3) **Parent Names Match:** The OAS Application Verification screen will identify the required income documentation and the name of the parent that must be on that income documentation. For example, if the parent indicates they filed a 2021 Federal 1040 tax form, the OAS Application Verification screen will specify the school must obtain, "A signed copy of the 2021 [joint-if the 1040 was filed jointly by the parents on the application] 1040 income tax return filed by [parent

name or names], adjusted gross income should be ..." In this case, the return must include the first and last name(s) of the parent(s) identified.

The school must ensure the first and last name(s) on the income documentation exactly matches the parent name(s) in the OAS Application Verification screen. If the name(s) do not match, see the [question regarding the parent name not matching](#) at this end of this bulletin for further information.

- 4) **Corrections if Income Documentation is Missing:** If income documentation was received during the open application period that the application was received from at least one of the parents on the application but it was not the allowed support in the required documentation section or is not for the correct year, the school may correct the application if it is able to obtain a 2021 tax transcript for all parents on the application by the time the eligibility determination must be made for the application. The tax transcript(s) must show that the family is income eligible as described in the "Amounts Match" section. *Make sure to retain the originally provided documentation and write "Original" on it with the date it was received.*

If the parent does not provide the school the required documentation by the time the application must be verified as explained in the [Application Verification Deadlines](#) section, the application must be determined ineligible. The availability of tax transcripts is subject to when the tax returns are submitted, the IRS processing, and when the IRS makes the tax transcripts available. As a result, schools are strongly encouraged to obtain the required documentation during the open application period in which the application is received.

OAS Application Verification for Applications with No Income

If the parent did not complete a Federal 1040 tax form or identify any income on the application, the school must verify the application by completing the following:

- 1) **Review Basic Needs Explanation:** Review the parent's explanation of how basic needs (food, clothing, and shelter) were met to ensure it is sufficient to explain how basic needs were supplied. Explanations that only indicate the parent provided the basic needs are not sufficient. The explanation must explain how the parent provided the basic needs. Some acceptable explanations may include support from family/friends or identifying government assistance received, which must also be identified in the government assistance section. When reviewing the explanation of basic needs, the review must include the following:
 - a. If any government assistance is indicated in the explanation of basic needs, determine that the program is also identified in the required documentation section of the OAS Application Verification screen. As explained in 2 below, support for all government assistance programs must also be provided. If a parent does not have any income, documentation does not need to be obtained for non-government support such as support from family/friends or child support.
 - b. Determine that the explanation of basic needs does **not** indicate that the parent received any income (even if cash income). If there is any income identified, the parent must log back into the Online Parent Application, include this income in the Online Parent Application, and provide any supporting documentation to the school before the end of the open application period. If the parent has any income and it is after the open application period in which the application was received, the application is ineligible.

- 2) **Government Assistance Documentation:** Obtain documentation showing 2021 participation in ALL government assistance programs listed on the OAS Application Verification screen. This documentation must be a statement from the assistance provider indicating the parent received the assistance in 2021. This documentation must be obtained in the same open application in which the application is received, except in the limited circumstances described in 3.

The OAS Application Verification screen will specify which parent received the government assistance in the list of required income documentation. The school must ensure the first and last name of the parent identified exactly matches the parent's first and last name on the government assistance documentation. If the name does not match, see the [question regarding the parent name not matching the documentation](#) at the end of this bulletin for further information.

In most cases, parents can obtain and print a statement of government benefits they have received by using the Wisconsin Department of Health Services online tool at <https://access.wisconsin.gov/> (Access.gov). To access a statement of government benefits received, parents will need to create an online account and enter their SSN or pin number, their date of birth and their case information. If a statement is used from the Access.gov website, ensure the print screen includes the parent name, shows the type of assistance received, and identifies that the assistance was received in 2021.

- 3) **Corrections if Government Assistance Documentation is Missing:** If government assistance documentation was received during the open application period that the application was received from at least one of the parents on the application but it was not the allowed support in 2 or is not for the correct year, the school may correct the application through one of the following options.
- a. Obtain 2021 tax transcript(s) verification of non filing for all parents on the application and the required support showing the parents obtained the government assistance identified on the application during 2021.
 - b. Obtain 2021 tax transcript(s) showing all parents on the application did not have any adjusted gross income.

Make sure to retain the originally provided documentation and write "Original" on it with the date it was received. If a is completed, write "Additional documentation" on any new government assistance documentation received and the date it was received.

If the parent does not provide the school the required documentation by the time the application must be verified as explained in the [Application Verification Deadlines](#) section, the application must be determined ineligible. The availability of tax transcripts is subject to when the tax returns are submitted, the IRS processing, and when the IRS makes the tax transcripts available. As a result, schools are strongly encouraged to obtain the required documentation during the open application period in which the application is received.

Children in Kinship or Foster care

Foster children and children in the kinship care program are counted as a family of one (1) because they are supported by the state or county. Therefore, the income of parents is **not** counted when determining eligibility for the Choice program. The parent should indicate that the pupil is in kinship care or foster

care on the Online Parent Application. Documentation supporting the pupil's participation in foster care or kinship care must be provided to the school. Documentation that would be sufficient for this is a verification letter showing the child is in the foster or kinship care program, a check/check stub for foster or kinship care, court documents showing placement for foster care students, or a reassessment letter for payment under the kinship care program indicating that the requirements have been met. The verification and reassessment letter must come from one of the contracted agents for the kinship care agency. A list of the contracted agents for Milwaukee is available at <https://dcf.wisconsin.gov/mcps/contacts>.

The documentation must be provided before the eligibility determination must be made for the application. The dates by which the Choice administrator or designee must make the eligibility determination are specified in the [Application Verification Deadlines](#) section.

An adopted child who has been legally adopted is the full financial responsibility of the individual who adopted him or her; therefore, the parent(s) income is counted in the case of an adopted child.

Tuition

Students in grades 9-12 may be charged tuition, in an amount determined by the private school, if the student's family income exceeds 220% of the federal poverty level. Applicants with married parents shall reduce their family income by \$7,000 in order to determine if tuition may be charged. Students in grades K-8 may not be charged any tuition, regardless of their income.

Schools must annually determine income eligibility in order to charge students in grades 9-12 tuition. A Tuition Income Determination form is available to assist with this determination. Schools must establish a process for the governing body of the school to accept appeals regarding determinations to charge tuition. For additional information see the Student Application Processing webpage at [Choice Programs: School Application Processing](#) for the Student Tuition and Fees Information Bulletin and the Tuition Income Determination form.

Appendix A: Frequently Asked Questions

DOR Income Determination

- 1) What year will the Department of Revenue (DOR) use to determine if an application is income eligible?**

If the DOR has completed its review of the parent(s)' 2021 Wisconsin income tax return, it will generally use the 2021 Wisconsin income tax return. Otherwise, the 2020 Wisconsin income tax return will generally be used. If the parent(s) has received a Wisconsin tax refund for 2021, the 2021 income will likely be used. Applicants should consider using the DPI method if they do not qualify based on their 2020 income.

- 2) Can a parent who lived and filed taxes in another state or country in prior tax years use the DOR income determination method?**

No. The DOR income determination method is only available for parents who filed taxes in Wisconsin in at least one of the prior two tax years. Parents who do not meet this requirement must use the DPI income determination method.

- 3) Does a parent need to provide income documentation to the school if the parent is determined to be income eligible by the DOR in the Online Parent Application?**

No. If the parent entered their social security number(s) or taxpayer ID(s) into the Online Parent Application and was determined to be income eligible by the DOR, the parent is not required to provide additional income documentation to the school.

- 4) What if a parent made a mistake and did not enter all family members in the application and the application is determined ineligible by DOR?**

The school may view the family size for a student's application on the "Parent/Guardian Summary" section at the top of the OAS Application Verification screen. If the parent made a mistake and did not enter all family members that reside in the same household that meet the requirement to be included as a family member, first determine if the family would have been income eligible with the additional family member included. The income limits are available at <https://dpi.wi.gov/parental-education-options/choice-programs/student-applications>. If the parents are married, their combined income should be reduced by \$7,000 when determining income eligibility for the program. The top of the OAS Application Verification screen identifies whether or not the parents indicated they were married in the Online Parent Application. If the school determines the application would meet the income requirements with the additional family member, complete the following:

- a) If the parent completed the DOR income eligibility determination in the Online Parent Application, notify the parent that they must return to the Online Parent Application and submit the ineligible student application as soon as possible but no later than the end of the open application period if they didn't already submit it.

b) Ask the parent to email the school the following information:

- Parent Name(s):
- Parent Address:
- Student Name:
- Additional family member first and last name:
- Additional family member address:
- Additional family member is in foster care or kinship care (yes or no):
- Additional family member relation to student (shares at least one parent by birth, shares at least one parent by adoption, or shares at least one parent by parent's current marriage):

The school should forward the email to privateschoolchoice@dpi.wi.gov.

The DPI will then review the request. If it were approved to add family member(s) to the application, the DPI would update the application to add the family member(s). The DPI would notify the school to run the DOR records check and DOR income determination again after the change is made. Please note that this issue must be resolved before the eligibility determination must be made for the application or the application will continue to be DOR ineligible. The dates by which the eligibility determination must be made are explained in the [Application Verification Deadlines](#) section.

5) If an application is found ineligible by DOR and the parent indicates the determination is incorrect, how should the school proceed?

See the [Applications Determined Ineligible by DOR](#) section above for information on how to proceed in this situation.

6) If a parent is determined ineligible by DOR, can the parent or school rerun the DOR income determination?

Once a parent is found ineligible by DOR in the Online Parent Application, the parent will NOT be able to rerun the DOR income eligibility determination themselves in the Online Parent Application.

Schools may rerun the DOR income determination in OAS multiple times for student applications that have a status of "Ineligible per DOR".

If a parent is found ineligible by DOR and believes the determination was incorrect, the parent must submit the ineligible new student application in the Online Parent Application as soon as possible but no later than the end of the open application period. The parent must then provide information to the school about why they believe they are income eligible. The school must review the situation and proceed as explained in the [Applications Determined Ineligible by DOR](#) section.

If a parent does not submit the ineligible application in the Online Parent Application by the end of the open application period, the parent may complete and submit the ineligible student application in a future open application period, if available. Parents who return to the Online Parent Application and submit the DOR ineligible new student application(s) **are not** rerunning the DOR income determination in the Online Parent Application when they submit the application(s). The school **must** run the DOR income determination in the OAS to determine if the DOR has records that indicate the family meets the income eligibility requirements.

7) How should a school proceed if a student is determined Ineligible per DOR due to all unemployment compensation from the 2020 tax year being included as income?

See the previous frequently asked question for information on how to proceed.

Changing Income Determination Methods

8) Can a parent switch the income determination method during an open application period?

Parents can change income determination methods if the application hasn't already been determined ineligible based on exceeding the income limits. Parents should change the income determination method in the Online Parent Application. The parent must then re-submit the application.

9) Can a parent or school switch the income determination method after the open application period ends?

No. The income determination method cannot be switched after the open application period.

Income Included in Income Eligibility Determination

10) Can a family use current year income rather than prior year income for the income determination?

No, current year income is not used to determine eligibility for the Choice programs. The DPI income determination method is only completed using the prior calendar year income. The DOR income determination method is only completed using the prior year calendar year income or the income from two years prior.

11) A parent filed a joint tax return in 2021 and no longer lives with his or her spouse/ex-spouse. This may be due to a divorce, separation, or a spouse's death. The parent is not income eligible with their spouse/ex-spouse's income but is eligible without the spouse/ex-spouse's income. How should the parent proceed?

The DOR income determination method will include all income on the tax return, including that of a parent's spouse/ex-spouse, even if they are not on the application. If the parent is eligible with all income on the tax return included in the income determination for both the 2021 and 2020 tax year, the parent can use the DOR income determination method.

If the parent is not eligible with all income on the tax return included in the income determination for either the 2021 and 2020 tax year, the parent should consider using the DPI income determination method. In the Online Parent Application, the first question for the DPI Income Determination method is if the parent filed a 2021 Federal 1040 tax form. Since the parent did not file a 2021 Federal 1040 tax form that only identifies his/her income, the parent should indicate that he/she did not file a 2021 Federal 1040 tax form. The parent should then identify any income or government assistance he/she received in the Online Parent Application and bring in supporting documentation as identified in the Online Parent Application. The spouse/ex-spouse's income and government assistance should not be identified in the Online Parent Application.

12) Can income be excluded if a parent no longer has a job they had in a previous year or can one-time income sources (e.g. IRA distributions, bonuses, etc.) be excluded from adjusted gross income when determining if the family income meets the income eligibility requirements?

No. No adjustments may be made to income, even if some of the income is a one-time amount or if the current parent income is less than the previous year.

DPI Income Determination Method

13) What year must be used for the DPI income determination method?

The DPI income determination method is only completed using the prior calendar year income (2021). Parents may not provide 2020 tax forms or 2020 income or government assistance information for the DPI income determination method. See the [Income included](#) section in Definitions for additional information.

14) Can a parent use the DPI method if the parent has not filed taxes for the prior year (2021)?

Yes. Parents who select the DPI Income Determination method who have not filed 2021 taxes may respond “no” to the question, “Did parent file a 2021 Federal 1040 income form with the IRS?”. These parents will then indicate what income and/or government assistance they received in 2021. See the Income Verification Screens section of the [Online Parent Application Print Screens](#) for sample screens.

15) What if the income forms or amounts provided by the parent do not match the information the parent entered in the Online Parent Application?

See the [Amounts Match](#) section for an explanation of how the application should be processed if the amounts do not match.

If the income forms identified in the OAS Application Verification screen do not match the forms provided by the parent, and it is before the end of the open application period in which the application was received, ask that the parent log back into the Online Parent Application, correct the information, and resubmit the application. If it is after the open application period in which the application was received, the application may be correctable in limited circumstances as described in the [Corrections if Income Documentation is Missing](#) section.

16) Does the Federal 1040 tax form the parent provides for proof of income have to be signed?

No. The Federal 1040 tax form should be signed, but the application is NOT ineligible if the Federal 1040 tax form is not signed.

17) Do the children on the Choice family application need to match the dependents on the Federal 1040 tax form?

No, they do not need to match. The children on the Choice family application may be different than the children on the family’s tax return.

18) How should families from out of state or out of the country complete the income determination in the Online Parent Application and what supporting income documentation should the family provide?

The parents of students who are from out of the state or country that are applying to the Choice program must use the DPI income determination method when completing an application in the Online Parent Application. These families cannot use the DOR income determination method since the DOR will not have any records for the parents. If the family is from a different country, the family will need to provide income documentation from their country of origin. If the family is unable to provide any income documentation, they must indicate that cash income was received and fill out the applicable information in the Online Parent Application. If the family had no income, they must identify and provide support for any government assistance received and explain how basic needs were supplied.

19) If a parent identifies they received child support payments, what income documentation does the parent need to provide to the school?

Child support payments are not considered income or government assistance. No documentation is required for child support payments because income documentation support is only required for income or government assistance. However, if the parent received alimony, it may be taxable. See the [explanation of income included in the income eligibility determination](#) section above for additional information.

20) How do I obtain a tax transcript for a parent?

Information on how to obtain tax transcripts is available on the IRS website at <https://www.irs.gov/individuals/get-transcript>.

21) Are students in subsidized guardianship considered to be in foster care?

Yes, students in subsidized guardianship are considered to be in foster care.

22) What is the required support if the parent received social security benefits? If the school determines the parent received social security income (SSI) rather than social security benefits, how should the school proceed?

A person does not get a 1099 tax form for their SSI. A person does get a SSA-1099 tax form for their Social Security benefits, including Social Security Disability Insurance (SSDI). Information to determine whether a parent received SSI or social security benefits is available at <https://www.ssa.gov/ssi/text-over-ussi.htm>. If the parent received social security benefits, the support must be a SSA-1099.

If the parent received SSI but indicated on the application that he or she received social security benefits, the parent must log back into the Online Parent Application before the end of the open application period in which the application is received and change the income/benefits received to SSI. If not, the application must be determined ineligible.

23) What is the required support if the parent received SSI? If the school determines the parent received social security benefits rather than SSI, how should the school proceed?

A person does not get a 1099 tax form for their SSI. A person does get a SSA-1099 tax form for their Social Security benefits, including Social Security Disability Insurance (SSDI). Information to determine whether a parent received SSI or social security benefits is available at <https://www.ssa.gov/ssi/text-over-ussi.htm>. If the parent received SSI, the support must be a government assistance statement showing SSI.

If the parent received social security benefits but indicated on the application that he or she received SSI, the parent must log back into the Online Parent Application before the end of the open application period in which the application is received and change the income/benefits received to social security benefits. If not, the application must be determined ineligible.

24) How should the school proceed if the first and last name of the parent on the income documentation (including government assistance) does not match the parent name in OAS?

All supporting income documentation must include the legal first and last name of the parent.

- Punctuation, spacing, or capitalization differences: If the difference is only a punctuation, spacing, or capitalization difference, OAS does not need to be corrected and different income documentation with the correct, legal name is not required.
- Differences other than punctuation, spacing, or capitalization: See the Application Verification and Corrections FAQ for information: (a) on how to make corrections if the parent name is incorrect in OAS or on the income documentation; and (b) for examples of what does and does not require a correction to OAS.

25) If the parent/guardian's middle initial/name or suffix on the income documentation does not match OAS, how should the school proceed?

The middle initial/name and suffix do not need to match. Further, these fields do not need to be corrected in OAS so any differences in these fields should not be emailed to the DPI for correcting or reflected in the Enrollment Audits.

26) Can schools accept the same document for both residency and income documentation?

Yes. The school may use the same document for both the residency and income documentation as long as the document meets the requirements for both residency and income per the Residency Documentation Bulletin and this bulletin. Schools are not required to receive two separate documents if one document meets the requirements.

27) Is the address on the income documentation required to match the address on the OAS Application Verification screen?

If the parent is using the same document for income and residency documentation, the address must match. If the parent is using a different document for residency documentation, the address on the income documentation is not required to match the address in OAS. Because the income documentation is from the 2021 tax year, the family may have moved and the address on the income documentation may not match the address in OAS.

28) Can a school use a picture or a print screen of a required application document?

Yes, a school can use a pdf, picture, or print screen of a required application document as long as the document includes all of the required components. See the next question for additional information if the pdf, picture, or print screen received is a partial document.

29) If the school only receives and/or retains part of a required income document, is that sufficient?

A partial document is acceptable income support as long as the document includes all of the required components except for a federal income tax return. The school must obtain and retain the first two pages of the federal income tax return if identified as a required document in the OAS Application Verification screen.

30) Can a 1099 form used for income documentation be in the name of a business instead of the parent name?

No. The income documentation provided by the parent must be in the parent's name, so the recipient's name on the 1099 form must be the parent.

If the parent selects the DPI income determination method and indicates he or she did not file a 1040, the parent is asked to enter his or her sources of income. If the parent cannot provide the supporting income documentation in his or her name, the parent would either need to file their 2021 Federal 1040 Form and use the DPI income determination method or use the DOR income determination method.

31) Are the stimulus payments income or government assistance? Is supporting documentation required for these payments?

Stimulus payments are considered an income tax credit. Stimulus payments are not considered income or government assistance for purposes of the Choice programs income eligibility determination. As a result, the parent **should NOT** include them (i.e., not identify them as income or government assistance) when completing the DPI income eligibility determination. Further, the parent does not need to provide documentation showing they received a stimulus payment as part of the income eligibility determination process.

If the parent incorrectly identifies the stimulus payments as government assistance, no changes are required to the application and the application can be verified without documentation for the stimulus payment.

If the parent incorrectly identifies the stimulus payments as income, the parent should return to the Online Parent Application, remove the stimulus payment from the application, and resubmit the application before the end of the open application period. If the parent does not remove the stimulus payments before the end of the open application period and the parent did not receive any other income during the prior year, the application must be determined ineligible. If the parent does not remove the stimulus payments before the end of the open application period and the parent received other income, the school may complete the verification of the application without getting support for the stimulus payments. The parent must provide all required documentation, other than documentation for the stimulus payment, as indicated on the OAS Application Verification screen.