LIHEAP Eligibility and Benefit Level Determinations

June 7, 2013

LIHEAP Grantee Training
Why Determine Eligibility and Benefit Payment Levels?

• Section 2605(b)(5) of the LIHEAP Statute (42 U.S.C. § 8624(b)(5)) requires that the highest level of assistance go to:

  – Households which have the lowest incomes;
    AND
  – Households with the highest energy costs or needs;
    AND
  – Taking into account family size.
Eligibility versus Benefit Levels

Step one: Eligibility—whether a household meets the minimum requirements to receive LIHEAP assistance, such as household income cap.

Step two: Benefit levels—the amount of assistance given to households that are determined eligible for LIHEAP.
Eligibility: Determining Minimum and Maximum Income

First, decide whether to use Federal Poverty Guidelines (FPG) or State Median Income (SMI)

• If using SMI, grantees may set households income eligibility up to 60% SMI; or
• If using FPG, grantees may set households income eligibility be up to 150%.

• Whether using SMI or FPG, household income eligibility may be set no lower than 110% FPG.

Note: HHS publishes the FPG’s each year through an IM on the LIHEAP web site. Grantees must use the most currently available FPG’s by October 1 each year (45 C.F.R. § 96.85).
Eligibility: What is Household Income

• The LIHEAP statute does not define “income.”

• Grantees must define what they consider “income” to ensure that all households are treated the same when determining whether a household is income eligible for LIHEAP benefits.

• Categorical eligibility option: grantees can choose to make certain households eligible based on receiving benefits from other needs-tested Federal programs.
Benefit Determination: Payment Matrix

• Develop a payment matrix to set different payment levels.
• A payment matrix is a chart on which all of the required factors (income, energy costs or needs, and family size) are considered to vary the benefit amounts for each household.
Benefit Determination:
Three Required Variables to Consider when Building Your Payment Matrix

1. Household Income;
2. Household Size; and
3. Energy Cost or Need
Benefit Determination: Household Income

• Look at the total household income.
Benefit Determination: Household Size

• Prorate the benefit amount based on household composition number;
• Count only persons residing in the dwelling unit sharing a primary heating or cooling system;
• Do not count non-qualified aliens. They are ineligible to receive Federal benefits. (Do count their income though!)
Benefit Determination: Determining Energy Cost or Need

Choose one or more of the following:

- Fuel Type
- Individual Bill Amount
- Energy Burden
- Other
- Climate or Region
- Dwelling Type
- Household Need (specific to situation)
Benefit Determination

Variable Example:

Varying Benefits Based on Energy Burden

• Energy Burden =
  \[
  \frac{\text{dollar amount of current energy bill}}{\text{total household monthly income}} = \%
  \]
  of income spent on home energy each month

• Decision Point:
  include or exclude any low-income rate discounts in total cost of energy bill?
# Sample Benefits Matrix Based on Fuel Type

<table>
<thead>
<tr>
<th>Household Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>FO, Kero</th>
<th>Propane</th>
<th>Electric</th>
<th>Natural</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,707.50</td>
<td>$3,642.50</td>
<td>$4,577.50</td>
<td>$5,512.50</td>
<td>$6,447.50</td>
<td>$7,382.50</td>
<td>$8,317.50</td>
<td>$9,252.50</td>
<td><strong>Up to 25%</strong></td>
<td>$750</td>
<td>$600</td>
<td>$550</td>
<td>$510</td>
<td></td>
</tr>
<tr>
<td>$5,415.00</td>
<td>$7,285.00</td>
<td>$9,155.00</td>
<td>$11,025.00</td>
<td>$12,895.00</td>
<td>$14,765.00</td>
<td>$16,635.00</td>
<td>$18,505.00</td>
<td><strong>Over 25% to 30%</strong></td>
<td>$725</td>
<td>$570</td>
<td>$525</td>
<td>$480</td>
<td></td>
</tr>
<tr>
<td>$8,122.50</td>
<td>$10,927.50</td>
<td>$13,732.50</td>
<td>$16,537.50</td>
<td>$19,342.50</td>
<td>$22,147.50</td>
<td>$24,952.50</td>
<td>$27,757.50</td>
<td><strong>Over 30% to 40%</strong></td>
<td>$700</td>
<td>$550</td>
<td>$500</td>
<td>$450</td>
<td></td>
</tr>
<tr>
<td>$10,830.00</td>
<td>$14,570.00</td>
<td>$18,310.00</td>
<td>$22,050.00</td>
<td>$25,790.00</td>
<td>$29,530.00</td>
<td>$33,270.00</td>
<td>$37,010.00</td>
<td><strong>Over 40% to 50%</strong></td>
<td>$680</td>
<td>$520</td>
<td>$480</td>
<td>$420</td>
<td></td>
</tr>
<tr>
<td>$13,537.50</td>
<td>$18,212.50</td>
<td>$22,887.50</td>
<td>$27,562.50</td>
<td>$32,237.50</td>
<td>$36,912.50</td>
<td>$41,587.50</td>
<td>$46,262.50</td>
<td><strong>Over 50% to 75%</strong></td>
<td>$650</td>
<td>$500</td>
<td>$430</td>
<td>$390</td>
<td></td>
</tr>
<tr>
<td>$16,245.00</td>
<td>$21,855.00</td>
<td>$27,465.00</td>
<td>$33,075.00</td>
<td>$38,685.00</td>
<td>$44,295.00</td>
<td>$49,905.00</td>
<td>$55,515.00</td>
<td><strong>Over 75% to 100%</strong></td>
<td>$630</td>
<td>$480</td>
<td>$400</td>
<td>$360</td>
<td></td>
</tr>
<tr>
<td>$18,952.50</td>
<td>$25,497.50</td>
<td>$32,042.50</td>
<td>$38,587.50</td>
<td>$45,132.50</td>
<td>$51,677.50</td>
<td>$58,222.50</td>
<td>$64,767.50</td>
<td><strong>Over 100% to 125%</strong></td>
<td>$620</td>
<td>$450</td>
<td>$370</td>
<td>$330</td>
<td></td>
</tr>
<tr>
<td>$21,660.00</td>
<td>$29,140.00</td>
<td>$36,620.00</td>
<td>$44,100.00</td>
<td>$51,580.00</td>
<td>$59,060.00</td>
<td>$66,540.00</td>
<td>$74,020.00</td>
<td><strong>Over 125% to 150%</strong></td>
<td>$610</td>
<td>$425</td>
<td>$330</td>
<td>$300</td>
<td></td>
</tr>
</tbody>
</table>
FY 2013 Nevada Example of Eligibility Determination

1. Determine the # of eligible household members:
   a. exclude anyone who:
      i. is an ineligible non-citizen;
      ii. refuses to provide their SSN;
      iii. is a roomer/boarder and lacks a separate heating source, entrance or who cohabitate;
      iv. a person with an active Intentional Program Violation ruling; or
      v. a student who lives outside the household;

2. Determine the total household’s annualized gross income which cannot exceed 125% FPG.
FY 2013 Nevada Example of Benefit Determination

1. Multiple the household’s annual gross income by the Nevada median household energy burden for the current year (2.30%);
2. Calculate the household’s total dollars spent on home energy usage for the prior 12 months for the primary source;
3. Calculate the household’s total home energy usage (such as Kwh) for the prior 12 months for primary source;
4. Subtract the amount from step 1 from the amount from step 2:
   a. If the difference is $180 or more, that amount is the benefit (up to the cap)
   b. If the difference is $179 or less, the household receives $180
5. The benefit is subject to caps as described on the next slide.
### FY 2013 Nevada Example of Benefit Determination

**Benefit Cap Table – All Other Energy Sources**

<table>
<thead>
<tr>
<th>HH Size</th>
<th>&lt;75%</th>
<th>75-125%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$557</td>
<td>$446</td>
</tr>
<tr>
<td>2</td>
<td>$587</td>
<td>$469</td>
</tr>
<tr>
<td>3</td>
<td>$618</td>
<td>$494</td>
</tr>
<tr>
<td>4</td>
<td>$650</td>
<td>$520</td>
</tr>
<tr>
<td>5</td>
<td>$683</td>
<td>$546</td>
</tr>
<tr>
<td>6</td>
<td>$717</td>
<td>$573</td>
</tr>
<tr>
<td>7</td>
<td>$752</td>
<td>$602</td>
</tr>
<tr>
<td>8+</td>
<td>$790</td>
<td>$632</td>
</tr>
</tbody>
</table>

Add $50 to households with an elderly, disabled, or a child under age six.
**FY 2013 Nevada Example of Benefit Determination**

**Benefit Cap Table – Propane and Oil**

<table>
<thead>
<tr>
<th>HH Size</th>
<th>&lt;75%</th>
<th>75-125%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$757</td>
<td>$646</td>
</tr>
<tr>
<td>2</td>
<td>$787</td>
<td>$669</td>
</tr>
<tr>
<td>3</td>
<td>$818</td>
<td>$694</td>
</tr>
<tr>
<td>4</td>
<td>$850</td>
<td>$720</td>
</tr>
<tr>
<td>5</td>
<td>$883</td>
<td>$746</td>
</tr>
<tr>
<td>6</td>
<td>$917</td>
<td>$773</td>
</tr>
<tr>
<td>7</td>
<td>$952</td>
<td>$802</td>
</tr>
<tr>
<td>8+</td>
<td>$990</td>
<td>$832</td>
</tr>
</tbody>
</table>

Add $50 to households with an elderly, disabled, or a child under age six.
Payment Matrix Questions

Consult Section D of the LIHEAP Tribal Manual, at:

ACF Presenter:

Ms. Margarita Valladares
Margarita.Valladares@acf.hhs.gov
202-205-4711